	 velope ID: 3837 FINAL
1 2 3 4 5	Timothy Regulate Global V 21410 N Phoenix, 480.999. Tim.Sabe
6	
7	COMM
8	ROBER
9	BOYDI
10	SANDR. JUSTIN
11	LEA MÁ
12	IN THE
13	OF GLO

20	265W 127 225 825 825 WARRENGTHERWAY	
1	Timothy J. Sabo (021309)	
2	Regulatory Counsel	
3	Global Water Resources, Inc. 21410 N. 19 th Avenue, Suite 220	
3	Phoenix, AZ 85027	
4	480.999.5215	
5	Tim.Sabo@gwresources.com	
6	BEFORE THE ARIZONA CORPO	PRATION COMMISSION
7	PRODUCTION AND AND AND AND AND AND AND AND AND AN	
8	COMMISSIONERS DODERT "DODER BLIDNIG CL.	
265	ROBERT "BOB" BURNS, Chairman	
9	BOYD DUNN	
10	SANDRA D. KENNEDY	
	JUSTIN OLSON LEA MÁRQUEZ PETERSON	
11	LEA MARQUEZ PETERSON	
12	IN THE MATTER OF THE APPLICATION	DOCKET NO. SW-20422A-20-0220
13	OF GLOBAL WATER – HASSAYAMPA	The Independent Company and Industrial way see the second content of the content
13	UTILITIES COMPANY, INC., AN ARIZONA	RATE APPLICATION
14	CORPORATION, FOR THE	
15	ESTABLISHMENT OF JUST AND	PART 3 OF 4
1.0	REASONABLE RATES AND CHARGES	
16	FOR UTILITY SERVICE DESIGNED TO	NOTICE OF FILING RATE
17	REALIZE A REASONABLE RATE OF	CASE SCHEDULES IN
	RETURN ON THE FAIR VALUE OF ITS	SUPPORT OF RATE
18	PROPERTY AND FOR CERTAIN RELATED	APPLICATION
19	APPROVALS.	
22	Clabal Water Harrison Heilitia Carr	and the forest and the second
20	Global Water – Hassayampa Utilities Com	ipany, inc., in connection with its
21	contemporaneously filed Rate Application, provid	les notice of filing the attached Pate
22	Contemporarieously fried Rate Application, provid	les notice of fiffig the attached Rate
	Case Schedules in support of its Rate Application.	
23	DECDECTELL I V CLIDALTTED 41: 20th	1
24	RESPECTFULLY SUBMITTED this 28th	day of August, 2020. -Docusigned by:
25		imothy J. Sabo
26	T	iiffi8tff\$7 J 4.1 S abo
	R	egulatory Counsel
27		
28	1	
	1	

1 **Certificate of Service** 2 Original of the foregoing eFiled this 28th day of August, 2020 with: 3 4 Docket Control Arizona Corporation Commission 5 1200 West Washington Phoenix, Arizona 85007 6 Copies emailed this same date to: 7 Elijah Abinah 8 Director, Utilities Division Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007 10 Utildivservicebyemail@azcc.gov 11 Robin R. Mitchell, Esq. Chief Counsel and Director, Legal Division 12 Arizona Corporation Commission 1200 West Washington 13 Phoenix, Arizona 85007 LegalDiv@azcc.gov 14 15 Hearing Division Arizona Corporation Commission 1200 West Washington 16 Phoenix, Arizona 85007 17 Hearing Division Service by Email@azcc.gov 18 19 Isl Joyce Goodwin 20 21 22 23 24 25 26 27 28 2

Test Year Ended December 31, 2019 Computation of Increase in Gross Revenue Requirement

Schedule A-1

Line			[A]		[B]	C	[C] DRIGINAL	[D] FAIR		
No.	DESCRIPTION						COST		VALUE	
1 2	Adjusted Rate Base					\$	588,675	\$	588,675	
3 4	Adjusted Operating Income (Loss)						(3,711)		(3,711)	
5	Current Rate of Return (Line 3 /Line 1)						-0.63%		-0.63%	
7 8	Required Operating Income (Line 9 * Line 1)						Ħ		€	
9	Required Rate of Return						0.00%		0.00%	
11 12	Operating Income Deficiency (Line 7 - Line 3)						3,711		3,711	
13 14	Gross Revenue Conversion Factor						1.0515		1.0515	
15 16	Increase in Gross Revenue Requirements					\$	말	\$	2	
17 18	Customer	P	resent		Proposed		Dollar		Percent	
19	Classification	200	Rates		Rates		Increase		Increase	
20 21	Residential					\$	=		0.0%	
22	Commercial						쫗		0.0%	
23	Irrigation						×		0.0%	
24	Hydrant						2		0.0%	
25	Lake						8		0.0%	
26 27	Non-Potable (Raw Water)						5		0.0%	
28	Total of Water Revenues	\$	1550	\$	- 12/J	\$	ŝ		0.0%	
29 30	Miscellaneous Revenues	\$	51 4 51	\$	5000	\$	#		0.0%	
31 32	Total Operating Revenues	\$	(-	\$	100	\$	<u>2</u>		0.0%	
33 34 35	Total Adjusted Revenues (Schedule C-1)	\$	(IE)	\$	363	\$	8		0.0%	

Supporting Schedules: B-1

41 H-1

Test Year Ended December 31, 2019 Summary of Results of Operations

									Projected Year			
Line		Prior	Prior Years Ended			Test '		ljusted		resent Rates	Proposed Rates	
No.	Description	12/31/201	7 12	2/31/2018		31/2019		31/2019		31/2021	12/31/2021	
1	Gross Revenues	\$	- \$	41	\$	50 6 0	\$	14	\$	- \$		
2		(2)	528		224		ats:		571	228		
3	Revenue Deductions and											
4	Operating Expenses	297,1	01	4,687		3,711		3,711		3,711	3,711	
5		125-35219		195712-003		2023/823/83		92/12/10/10/20		\$50,000,000	528323500	
6 7	Operating Income	(297,1	01)	(4,687)		(3,711)		(3,711)		(3,711)	(3,711)	
8	Other Income and Deductions		ŭ.	23		929		82		12	2	
9	Other modifie and Deductions											
10	Interest Expense		ŝ	8		74		ě		ŝ	1.6	
11	#0.00000000000000000000000000000000000											
12	Net Income	(297,1	01)	(4,687)		(3,711)		(3,711)		(3,711)	(3,711)	
13												
14	Common Shares	1,0	00	1,000		1,000		1,000		1,000	1,000	
15												
16	Earned Per Average											
17	Common Share	NA	NA		NA		NA		NA	NA	N.	
18												
19	Dividends Per											
20	Common Share	NA	NA		NA		NA		NA	NA	Š.	
21												
22	Payout Ratio	NA	NA		NA		NA		NA	NA	ě	
23	₩994.00473.10547.91.¥0.000.975.014.95											
24	Return on Average											
25	Invested Capital	NA	NA		NA		NA		NA	NA	Ŷ.	
26	D-F											
27	Return on Year End		61.6		ALA		NIA		NIA	210		
28 29	Capital	NA	NA		NA		NA		NA	NA		
30	Return on Average											
31	Common Equity	NA	NA		NA		NA		NA	NA		
32	Common Equity	INA	IVA		INA		INA.		INA	INA	r:	
33	Return on Year End											
34	Common Equity	NA	NA		NA		NA		NA	NA	9	
35	Common Equity	19.463	ex		MAZA:		en en en			3.00	e .	
36	Times Bond Interest Earned											
37	Before Income Taxes	NA	NA		NA		NA		NA	NA	į.	
38												
39	Times Total Interest and											
40	Preferred Dividends Earned											
41	After Income Taxes	NA	NA		NA		NA		NA	NA	N.	
42												
43												
44	Supporting Schedules:											
45	E-2											
46	C-1											
47	F-1											

Test Year Ended December 31, 2019 Summary of Capital Structure

No. Description 12/31/2017 12/31/2018 12/31/2019 12/31/2021 1 Short-Term Debt \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	Line	Description	Prior Yea	ars Ended	Test Year	Projected Year		
2	No.		12/31/2017	12/31/2018		12/31/2021		
2	1	Short-Term Debt	Ś.	Ś	Ś -	\$ -		
Common Equity Common Equit			****			70.Pds		
Total Debt		Long-Term Debt	9.75	8 7 8	5	:50		
6 7 Preferred Stock		eries i						
6 7 Preferred Stock	5	Total Debt	175			1.5		
7								
8 9		Preferred Stock)) @ ;	181	#	3 4 8		
9								
10 11 Total Capital 2,188,797 2,189,694 2,225,913 2,225,913 12 13 Capitalization Ratios: 14 15 Short-Term Debt		Common Equity	2,188,797	2,189,694	2,225,913	2,225,913		
111 Total Capital 2,188,797 2,189,694 2,225,913 2,225,913 12 Capitalization Ratios: 14		Conventions William Rest.	5c#109-556/#L/12486		138.315080300	PANCHETTE BACKSON		
12		Total Capital	2.188.797	2.189.694	2.225.913	2.225.913		
13		th cases of flow and the second.			00000000000000000000000000000000000000	758/17/2015 \$15457500		
14 15 Short-Term Debt		Capitalization Ratios:						
15 Short-Term Debt		2						
16 17 Long-Term Debt - - - - 18 - - - - - - - 20 - </td <td></td> <td>Short-Term Debt</td> <td>::e-c</td> <td>n=:</td> <td>-</td> <td>: e-:</td>		Short-Term Debt	::e-c	n=:	-	: e-:		
17 Long-Term Debt								
18 19 Total Debt -		Long-Term Debt	:)*:	(re:	*	940		
19								
20		Total Debt	298	3/#4	¥	194		
21		AUDIT SANCTUS COST.						
22 23 Common Equity 100% 100% 100% 100% 100% 24 25 Total Capital 100% 100% 100% 100% 100% 26 27 Weighted Cost of 28 Short-Term Debt		Preferred Stock	32	823	2	348		
23		STACK CONTRACTOR AND AN ELECTRIC STACK BALLCOOK						
24		Common Equity	100%	100%	100%	100%		
25 Total Capital 100% 100% 100% 100% 100% 26 27 Weighted Cost of 28 Short-Term Debt		SUPPLIES AND CONTRACTOR CONTRACTOR STATE OF THE SUPPLIES OF TH						
26 27 Weighted Cost of 28 Short-Term Debt		Total Capital	100%	100%	100%	100%		
27 Weighted Cost of 28 Short-Term Debt		522						
28 Short-Term Debt		Weighted Cost of						
30 Weighted Cost of 31 Long-Term Debt		<u> </u>	1380	7.57	*	101		
30 Weighted Cost of 31 Long-Term Debt	29							
31		Weighted Cost of						
32 33 Weighted Cost of 34 Senior Debt 35 36 37 <u>Supporting Schedules:</u> 38 E-1			192	(2-2)	2			
33 Weighted Cost of 34 Senior Debt 35 36 37 <u>Supporting Schedules:</u> 38 E-1								
34 Senior Debt		Weighted Cost of						
35 36 37			32	166	2			
36 37 <u>Supporting Schedules:</u> 38 E-1		attaniones com anti-oran Colores						
37 <u>Supporting Schedules:</u> 38 E-1								
38 E-1		Supporting Schedules:						
	39	D-1						

Test Year Ended December 31, 2019

Construction Expenditures and Gross Utility Plant Placed in Service

Line No.			Constr Expend		Plac	Plant ed In vice	Uti Plar	oss ility nt In vice
1 2	Prior Year Ended	12/31/2017	\$	-	\$	-	\$	-
3 4	Prior Year Ended	12/31/2018		-		-		-
5 6	Test Year Ended	12/31/2019		-		-		-
7 8 9 10 11	Projected Year Ended	12/31/2020		-		-		-
13 14 15	Supporting Schedules: F-3 E-5							

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019

Comparative Statement of Changes in Financial Position

Schedule A-5

							(3)	Projecte	Proposed	
Line			Prior Years Ended		7	est Year	Present Rates		Rates	
No.		-		/31/2018		12/31/2019		/31/2020	12/31/2020	
1			H-2-110-R-117 A-1		3.02	**************************************	13.55	3.31.50.50.50	.1803.1083.80	
2	Operating Activities									
3	Net income (loss)	\$	(297,101) \$	(4,687)	\$	(3,711)	\$	(3,711)	\$ (3,711	
4	Adjustment to reconcile net income (loss)									
5	Deferred compensation		7,00	325		말:		20	0	
6	Depreciation		95:	950		σ.		50	07	
7	Amortization		4.5	₹ 2		52		5	1.5	
8	Amortization of deferred debt issuance costs and discounts		26	350		Æ		*	14	
9	Write-off of debt issuance costs		949	(4)		20		製	12	
10	Gain on sale of 303 contracts		1	•		9		8		
11	(Gain) Loss on Equity Investment			100		2		56	85	
12	Other gains and losses		335	3 5 3		8 8		# 22	90 0	
13 14	(Gain) Loss on disposal of fixed assets Loss on Sale of Willow Valley		72.	541		8		80	19	
15	Provision for doubtful accounts receivable									
16	Deferred income tax (benefit) expense		(712)	920		FE		20	95	
17	Accounts receivables		(7.12)	5333				- CC - EC	52	
18	Other Receivables		293,845	(1,101)		(47)		(47)	(47	
19	Accrued revenue			M317171		38445		0.00	Nig.	
20	Infrastructure coordination and financing fee receivable		Ø\$A			51		52	-	
21	Income taxes receivable		1.00	38.5				*	19	
22	Other current assets		3,967	5,793		40,086		40,086	40,086	
23	Accounts payable and other current liabilities		- 10	(5)		3,073		3,073	3,073	
24	Other noncurrent assets		855	12.50 12.50		T.1356F108655			5840805	
25	Other noncurrent liabilities		56	(*C)		*		81	18	
26	Deferred revenue and prepaid ICFA fees		36	(9)		€		8	19	
27	Net cash (used) provided by operating activities		(1)	(*)		39,401		39,401	39,401	
28										
29	Investing Activities									
30	Capital expenditures		1020	75		(39,401)		(39,401)	(39,401	
31	Proceeds from the sale of Willow Valley		0.00	3.00		à		\$	52	
32	Proceeds from sale of fixed and intangible assets		(**)	(*)		20		*	725	
33	(Deposits) withdrawals of restricted cash		3.6			=		**	55 4	
34	Deposits		Res	(SE)		=======================================		55	12	
35	Advance in aid of construction release								122 323	
36	Net cash used in investing activities		(5)	3.5%		(39,401)		(39,401)	(39,401	
37	PILLULIA A DALUMATUR									
38	Financing Activities									
39	Proceeds from bond		350 950	\$ -		2		81	13	
40	Deposits in bond service fund		700	1645 1745				34		
41 42	Proceeds withdrawn from bond service fund					-		-		
43	Repayments of bond debt (Deposit into)/ redemption from escrow for debt service		10%	950		σ.		50	0.7	
44	Loan borrowings		550 Pali	303		51 20		57	102	
45	Loan repayments		1961			¥		2	19	
46	Principal payments under capital lease		645	(3)		55		23	100	
47	Payment of Sonoran acquisition liability		00s. 8864	922) 1889		-		8		
48	Acquisition of utilities, deferred acquisition payments		33%	340					199	
49	Financing costs paid		696	242		81		23	34	
50	Debt issuance costs paid		X	141		82		20	(5	
51	Advances in aid of construction		250	(*)		5:		70	- 27	
52	Dividends Paid		(S#3)	5.5		=		5	57	
53	Proceeds from sale of stock		76-	388		8		8	19	
54	Contributions in aid of construction under ICFA agreements			(14)		20		20	1,4	
55	Payments of offering costs for sale of stock		7727	1		*		25	12	
56	Refunds of advances for construction		124	25		8		惡	87	
57	Net cash (used) provided by financing activities		1			*		*	138	
58	Net change in cash		0	(*)		¥:		£ 1	176	
59	ACCITATORNIA CONCENSARIA CON CARRA CONCENSARIA									
60	Supporting Schedules									
61	F-3									

61 E-3

62 F-2

Schedule B-1

Test Year Ended December 31, 2019 Summary of Fair Value Rate Base

		Original Cost
Line		Rate Base
No.		As Filed
1	Plant in Service	1,577
2	Less: Accumulated Depreciation	-
3		
4	Net Plant in Service	1,577
5		
6	LESS:	
7	Net CIAC	-
8	Advances in Aid of Construction (AIAC)	-
9	Customer Deposits	-
10	Deferred Income Tax Credits	-
11		
12	ADD:	
13	Unamortized Finance Charges	
14	Deferred Tax Assets	587,098
15	Working Capital	
16	Utility Plant Acquisition Adjustment	
17		
18	Original Cost Rate Base	588,675
19		
20		
21	Supporting Schedules:	
22	B-2	
23	B-3	
24	E-1	
25	B-5	

Test Year Ended December 31, 2019 Detail Plant in Service

44

Total Net Plant

Schedule B-2 Page 1 of 2

1,641,883

В C D E F G H A PTYP Actual Adjustment Adjustment Adjustment Adjustment Adjustment Adjustment Adjusted Line Test Year 1 2 3 5 Test Year No. End B.2.1 B.2.2 B.2.3 B.2.4 B.2.5 B.2.6 As Filed 1 Utility Plant in Service 2 351 Organization œ. 3 352 Franchises 4 353 Land and Land Rights 1,577 1.577 354 Structures and Improvements 5 6 355 Power Generation Equipment 360 Collections Wastewater - Force 1/2 8 361 Collections Wastewater - Gravity 362 Special Collecting Structures 9 10 363 Services to Customers 364 Flow Measuring Devices 11 365 Flow Measuring Installations 12 13 366 Reuse Services 14 367 Reuse Meters & Meter Installations 15 370 Receiving Wells 371 Pumping Equipment 16 374 Reuse Distribution Reservoirs 17 375 Reuse Trans. And Distr. Equipment 18 19 380 Treatment and Disposal Equipment 20 381 Plant Sewers 21 382 Outfall Sewer Lines 22 389 Other Plant and Misc. Equipment 23 390 Office Furniture and Equipment 24 390.1 Computer & Software 25 391 Transportation Equipment 26 392 Stores Equipment 27 393 Tools, Shop and Garage Equipment 28 394 Laboratory Equipment 29 395 Power Operated Equipment 30 396 Communication Equipment 31 397 Miscellaneous Equipment 32 398 Other Tangible Plant 33 34 35 36 Total Utility Plant in Service 1.577 1,577 37 107 Construction Work in Progress 38 1,640,306 1,640,306 39 40 Total Plant 1.641,883 1,641,883 41 42 Total Accum, Depreciation 43

1,641,883

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Schedule B-2 Page 2 of 2

		UNADJUSTED		ADJ #B1 PTYP	ADJ #B2 ADIT	ADJ #B3	ADJ #B4	ADJ #B5	ADJ #B6	ADJ #B7	ADJUSTED
Gross P	lant in Service		1,577	120	525	2	<u> 5</u> Ç	100	Ğ	<u>=</u> /	1,577
Less:											
	Accumulated Depreciation		48	\$451	199	:2	23	120	2	26	849
	Net Plant in Service		1,577	120	120	2	27	525	ě	<u>T</u> V	1,577
Less:											
	Advances in Aid of Constructio		48								820
	Contributions in Aid of Construc	ction									
	Gross		13								95
	Accumulated Amortizatic		88								398
	Net Contributions in Aid of Cor		28								829
	Deferred Income Tax		13	270							955 1
	Customer Deposits		8								358
Add:											
	Working Capital		13								973
	Deferred Tax Assets	ć	587,098								587,098
Total Da	eta Bassi	- 4	00 675								588,675
Total Ra	ate Base:	3	588,675	S	1000 1000	i B	ā.	1254			5

Test Year Ended December 31, 2019 Schedule B-3 RCND Rate Base Pro forma Schedule B-3

LINE NO.

5 6

1	The Company has opted not to perform a RCND study and adopts its
2	original cost rate base as the fair value rate base.
3	
4	

Test Year Ended December 31, 2019 Schedule B-4 RCND By Major Plant Account Schedule B-4

LINE NO.

4 5 6

1	The Company has opted not to perform a RCND study and adopts its
2	original cost rate base as the fair value rate base.
3	

Test Year Ended December 31, 2019

Schedule B-5 Computation of Working Capital

Schedule B-5 Page 1 of 2

LINE NO.

1	Operating Expenses	Tes	st Year Results	Revenue Lag Days		Expense Lag Days	Net Lag Days	Lead / Lag Factor		orking Cash quirement
2										
3	Purchased Power	\$	1,644,009	\$ 3	9	\$ 24	\$ 16	\$ 0	\$	71,683
4	Payroll		5,849,624	3	9	9 17	31	0		492,369
5	Chemicals		265,021	3	9	17	22	0		16,221
6 7	Property & Liability Insurance		280,025	3	9	2	37	0		28,546
7	Worker's Compensation Insurance		90,650	3	9	(69)	108	0		26,932
8	Medical, Vision, Dental, LTD & Life Insurance		642,050	3	9	3	36	0		63,543
9	Other O&M (Excluding Rate Case Expense)		1,053,862	3	9	38	1	0		3,028
10	Federal Income Taxes		86,375	3	9	38	2	0		463
11	State Income Taxes		141,000	3	9	38	2	0		757
12	FICA Taxes		371,590	3	9	9	31	0		31,277
13	FUTA & SUTA Taxes		4,979	3	9	9	31	0		419
14	Property Taxes		2,165,582	3	9	180	(140)	(0)		(831,277)
15	Registration, Svc. Contracts, & Misc. Fees		1,683,381	3	9	34	5	0		24,643
16	Retirement Annuities (401k)		163,492	3	9	66	(26)	(0)		(11,665)
17										
18	Total	\$	14,441,639						\$	(83,060)
19		-								
20										
21	Supporting Schedules								Rec	ap Schedules
22	(a) E-1								B-1	
23	50.45A									
24										
25										
26										
27										

Test Year Ended December 31, 2019 Schedule B-5 Computation of Working Capital Schedule B-5 Page 2 of 2

LINE NO.

						Allocation
	Tota	l Working		2019 Year		of
	Cash	-		End	Percent	Working
1	Requ	irement		Counts	Allocation	Capital
2	\$	(83,060)	Palo Verde	21,109	46.1%	\$ (38,307)
3			Santa Cruz	21,357	46.7%	(38,757)
4			North Scottsdale	92	0.2%	(167)
5			Tonopah	413	0.9%	(749)
6			Eagletail	57	0.1%	(103)
7			Turner Ranches	963	2.1%	(1,748)
8			Red Rock Sewer	883	1.9%	(1,602)
9			Red Rock Water	896	2.0%	(1,626)
10				45,770		
11						
12			Palo Verde RRS Consolidated			(39,909)
13			Santa Cruz RRW Consolidated			(40,383)

		[A]	[B]	[C]	[D]	[E]
•8		Actual Test Year	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Proposed Rate Increase	Adjusted With Rate Increase
Operation	ng Revenue				- Constitution	
521	Flat Rate Revenues	30	ğ	.	3	9
522	Measured Revenues		- 3	-	<u> </u>	-
534	Rents from Wastewater Property	126	52	727	20	127
536	Other Wastewater Revenues	0.58	12	720	2	0.29
			22	526	*	
T-4-1D	Education of the Control of the Cont	920 920	12	323 723		980 980
Total Re	evenues		-			
	ng Expenses					
701	Salaries and Wages	4	13	-	2	-
704	Employee Pensions and Benefits	13236	F	3940	@	19439
710	Purchased Wastewater Treatment	10#25	32	0040	*	19809
711	Sludge Removal Expense	(9)	19	(A)	-	(30)
715	Purchased Power	()	: *	S*3:	₩ 	
716 718	Fuel for Power Production	19-33	8	5 2 3		19-33
A 15	Chemicals Meterials and Supplies	1963	*			340
720 720.1	Materials and Supplies Repairs and Maintenance	(40)	3			(**)
720.1		it e s	13	(-)		12 = 3
	Office Supplies and Expense	60	:5	60	•	- 60
721 731	Office Expense		1.7			
732	Contractual Services -Engineering	572	7.7	95.5	· ·	ेत्रहा संस्था
733	Contractual Services - Accounting Contractual Services - Legal	509	3	509	8	50
734			15		570	
735	Contractual Services - Management Fees Contractual Services - Testing	(#2)	it	(1 4 5)		5 1 27
736	Contractual Services - Testing	858	18	959		850
740	Rents - Building	R#0	12	373	18	R#0
742	Rents - Equipment	A#81	題	157.5	泰	850
750	Transportation Expenses	650	類	653	570	PEC
756	Insurance - Vehicle	nās.	1.5	보호: 8.동안	57	nesi
757	Insurance - General Liability		2	10	獲	15%
758	Insurance - Worker's Compensation				褒	<u> </u>
759	Insurance - Other	1	ğ	19	3	1
760	Advertising Expense		- 3	- E	3	- 3
766	Regulatory Commission Expense - Rate Case	126	12	341	2	129
767	Regulatory Commission Expense - Other	028	12	750	2	UZY
770	Bad Debt Expense	Sec.	12	523	25	950
775	Miscellaneous Expense	781	12	781	25	78
403	Depreciation Expense	120	12		29	127
408	Taxes Other Than Income	1721	32	929	2	(2)
0007076	Property Taxes	2,484	12	2,484	₩	2,48
	Payroll Taxes	762	12	21000	0	762
	Other Taxes and Licenses	(34)	g	341	· ·	3436
409	Income Taxes	(123)	32	(123)		(123
	perating Expenses	3,711	13	3,711	*	3,71
O	-1	(0.744)	24	(0.744)	9	/0.74
Operation	ng Income / (Loss)	(3,711)		(3,711)	*	(3,71
Other In	come / (Expense)					
414	Gain/Loss on Dispositions	(*)	8	3.	*	i , 1 5
419	Interest and Dividend Income	100	18	3 -)	8	180
421	Non-Utility Income	1(82)	:±	((€)	*	1982
426	Miscellaneous Non-Utility (Expense)	570	33	93.5		E70
427	Interest (Expense)	19#34	H	19 1 2	8	19 8 34
Total Ot	her Income / (Expense)	858	13	13:1	ā	880

	A	B Adjustment	C Adjustment	t Adjustment	Adjustmen	t Adjustment	G Adjustment	Adjustment	Adjustment	J Adjustment	Adjustment	Adjustment	M Adjustment	N Adjustment	0 Adjustment	Adjustment	0	R Adjustment	S Adjustme	ent Adjustment	t Adjustment	Adjustment	w
	Actual	Bad Debt C.2.1		Income Tax C.2.3		5 Depreciation	6 Payroll	7 Bonus Exclusi	FATHOM	9 Half Yr Conv	10	11	12 0.2.12	13	14	15	Adjusted Test Year As Filed	16 Bad Debt C.2.1	17 Property To C.2.2	ax Income Tax		20 se Income Tax	Adjusted With
perating Revenue	Test Year	C.2.1	C.2.2	L.Z.3	C.2.4	G.2.5	C.2.6	C.2.7	C.2.8	C.2.9	C.2.10	C.2.11	U.2.12	C.2.13	C.2.14	C.2.15	AS FRED	6.2.1	0.2.2	6.2.3	A-1		Rate Incre
521 Flat Rate Revenues	24																Ueo						
522 Measured Revenues	£																2.5						- 3
534 Rents from Wastewater Property	- 9																233						
536 Other Wastewater Revenues	- 59																360						- 3
	- 3																3.5						
Total Revenues	15 14		(4)	160	1%	92	(4)	190	10	19	(4)	160	12	20	50	[9]	1.5	(90)	Vi (4	\$1	- 3		- 5
Operating Expenses																							
701 Salaries and Wages	36																li(e)						2
704 Employee Pensions and Benefits	- 2																1.6						
710 Purchased Wastewater Treatment	- 32																7.0						
711 Sludge Removal Expense	92																1940						
715 Purchased Power	25																220						
716 Fuel for Power Production	- 3																						
748 Chemicals	39																5(+)						
720 Materials and Supplies	- 52																343						
720,1 Repairs and Maintenance	65																557.0						
720.2 Office Supplies and Expense	- 3																(8)						
721 Office Expense	60																.60						
731 Contractual Services - Engineering	- 2																(68)						
732 Contractual Services - Accounting	35,0																72300						
733 Contractual Services - Legal	509																509						
734 Contractual Services - Management Fees																	(9)						
735 Contractual Services - Testing	- 3																3 4 3						
736 Contractual Services - Other	54																546						
740 Rents - Building																	0.5						
742 Rents - Equipment																	5.00						
750 Transportation Expenses	39																100						
756 Insurance - Vehicle	- 8																						
757 Insurance - General Liability																	0.24						
758 Insurance - Worker's Compensation	.55																9370						
759 Insurance - Other	25																964						
760 Advertising Expense																	(#6						
766 Regulatory Commission Expense - Rate Case	- 35																4.7						
767 Regulatory Commission Expense - Other																	361						
770 Bad Debt Expense	25																165						
775 Miscellaneous Expense	781																781						
403 Depreciation Expense (From Schedule AR4)	- 33																						
408 Taxes Other Than Income	505/287																174278030						
408.11 Property Taxes	2,484																2,484						2
408.12 Payroll Taxes	5																100						
408.13 Other Taxes and Licenses	Singer.																200						
409 Income Taxes Total Operating Expenses	(123)		- 12	7.2	92	- 2	721		27		- 12	7/27	92		920	- 2	3,711	72	-	2 20	- 52		3,
AND CONTROL OF THE SECOND	16000																10000						85
Operating Income / (Loss)	(3,711)	-		(82		75	585	2				(9)	- 13	7		9.	(3,711)	1.6			- 0-	- 3:	3
Other Income / (Expense)																							
414 Gain/Loss on Dispositions	65																1370						
419 Interest and Dividend Income	- 3																						
421 Non-Utility Income	14																(+)						
426 Miscellaneous Non-Utility (Expense)	8																100						
427 Interest (Expense)	- 69																1720						
Total Other Income / (Expense)	- 10	14		- 4.0	- (6	- 5	134/5		70	118		- 40	- 10	- 5	134/3		175		19	- 1	- 3	-	
Net Income / (Loss)	(3,711)	- 2	9	290	32	- 51	(4)	9	25	- 5	9	2000	32	- 53	(4)	- 2	(3,711)	(4)	5 /4	4 58	- 1	(F)	-{3,

Schedule C-3 Page 1 of 2

		Percentage
		of Incremental
Line		Gross
No.	Description	Revenues
1	Combined Federal and State Effective Income Tax Rate	4.9000%
•		
2	Uncollectible Revenue Effective Rate	0.0000%
3	Property Taxes Effective Rate	0.0000%
4	Total Tax Percentage	4.9000%
5		
6	Operating Income % = 100% - Tax Percentage	95.1000%
7		
8 9		
9 10		
11	1 = Gross Revenue Conversion Factor	
12	Operating Income %	1.051525
13	operating moonie 76	1:05/525
14		
15		
16		
17		
18		
19		
20		
21		
22		
23	SUPPORTING SCHEDULES:	RECAP SCHEDULES:
24	C-3, page 2	A-1

Schedule C-3 Page 2 of 2

GROSS REVENUE CONVERSION FACTOR

Line		(A)		(B)	(C)		(D)	[E]	[F]
No.	Description Calculation of Gross Revenue Conversion Factor:		-						
2	Revenue Uncollectible Factor (Line 11)	100.000	0%						
3 4	Revenues (L1 - L2) Combined Federal and State Income Tax and Property Tax Rate (Line 23)	100.000							
5	Subtotal (L3 - L4)	95,100	0%						
6	Revenue Conversion Factor (L1 / L5)	1.051	525						
7	Calculation of Uncollectible Factor: Unity	100.000	0%						
8	Combined Federal and State Tax Rate (L17)	4.900	0%						
9	One Minus Combined Income Tax Rate (L7 - L8) Uncollectible Rate	95,100							
11	Uncollectible Factor (L9 * L10)	A PROPOSITO	-	0.0000%					
822	Calculation of Effective Tax Rate:	100,000	990						
12	Operating Income Before Taxes (Arizona Taxable Income) Arizona State Income Tax Rate	4.900	0%						
14 15	Federal Taxable Income (L12 - L13) Applicable Federal Income Tax Rate (L55 Col F)	95.100 0.000							
16	Effective Federal Income Tax Rate (L14 x L15)	0.000		(FREEERIC					
17	Combined Federal and State Income Tax Rate (L13 +L16)			4.9000%					
18	Calculation of Effective Property Tax Factor Unity	100.000	0%						
19	Combined Federal and State Income Tax Rate (L17)	4.900	0%						
20 21	One Minus Combined Income Tax Rate (L18-L19) Property Tax Factor	95.100 0.000	0% 0%						
22	Effective Property Tax Factor (L20*L21) Combined Federal and State Income Tax and Property Tax Rate (L17+L22)	De .	-	0.0000%	4,9000%				
	Commission (edgla) and state mounte (ax and 1 topeny 1 ax 1 sale (E17 : E22)			1.	4,500076				
24 25	Required Operating Income Adjusted Test Year Operating Income (Loss)	\$ \$ (3,7							
26	Required Increase in Operating Income (L24 - L25)	(3,7	\$	3,711					
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$ (7.9	81)						
28 29	Income Taxes on Test Year Revenue (Col. (C), L52) Required Increase in Revenue to Provide for Income Taxes (L27 - L28)	\$ (7,9							
10,000	When the state of	10	3	200					
30 31	Recommended Revenue Requirement Uncollectible Rate (Line 10)	0.000	0%						
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$	Control of the Contro						
33	Adjusted Test Year Uncollectible Expense Required Increase in Revenue to Provide for Uncollectible Exp.	3	s						
35	Property Tax with Recommended Revenue	SI							
36 37	Property Tax on Test Year Revenue Increase in Property Tax Due to Increase in Revenue (L35-L36)	<u>\$</u>		248					
			150						
38	Total Required Increase in Revenue (L26 + L29 + L37)		3	3,711					
		(A)	est Year	(B)	(C)	_	(D) Company Re	[E] ecommended	E
		Total	ust real		Particular i	Total	Company	boommended	920755
39	Calculation of Income Tax: Revenue	S	1	s		\$	-5	s	
40 41	Operating Expenses Excluding Income Taxes Synchronized Interest (L47)	3,8 28,2			3,834 28,256	N.	3,834 28,256	100	3,834 28,256
42	Arizona Taxable Income (L39 - L40 - L41)	\$ (32,0	90)	S	(32,090)	\$	(32,090)	\$	(32,090)
43 44	Arizona State Effective Income Tax Rate Arizona Income Tax (L42 x L43)	\$ (1,5	72)	S	4.9000% (1,572)	\$	4,9000%	\$	
45 46	Federal Taxable Income (L42- L44) Federal Tax Rate	\$ (30,5 21,000		\$	(30,518)	\$	(30,518)	\$	(30,518)
47	Federal Income Taxes	\$ (6,4		s		\$	(6,409)	\$	(6,409)
48 49									
50 51									
52	1217 (2218) 128	22 DESS	E50		10553050	logit.	107107056	88	205743333
53 54	Total Federal Income Tax Combined Federal and State Income Tax (L35 + L42)	\$ (6,4 \$ (7,9		\$ \$	(6,409) (7,981)	\$	(6,409) (7,981)	\$	(6,409)
55	COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53 / [Col (D) (45 - Col (A) (45)					0.0000%		100000000000000000000000000000000000000
56							0.000078		
57	WATER Applicable Federal Income Tax Rate [Col. [F], £53 - Col. [C], £53] / [Col.	[F], L45 - Col. [C], L45]							0.0000%
	Calculation of Interest Synchronization:			TV	Vater				
58	Rate Base			s	588,675				
59 60	Weighted Average Cost of Debt Synchronized Interest (L59 X L60)			8	4.80% 28,256				

Test Year Ended December 31, 2019 Summary Cost of Capital

End of Test Year - Actual Dollar Line Percent Rate of Weighted No. Description of Total Return Amount Return 1 \$ 2 Short-Term Debt 0.00% 0.00% 0.00% 3 Long-Term Debt 0.00% 4 0.00% 0.00% 5 6 Common Equity 2,225,913 100.00% -0.17% -0.17% 7 Totals 8 2,225,913 100.00% -0.17% 9 10 11 End of Test Year - Proposed End of Projected Year - Proposed Rates 12 Dollar Rate of Weighted Dollar Percent Rate of Weighted Percent 13 of Total Cost of Total Amount Return Amount Return Cost 14 15 Short-Term Debt \$ 0.00% 0.00% 0.00% \$ 0.00% 0.00% 0.00% 16 17 Long-Term Debt 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 18 19 Common Equity 2,225,913 100.00% 0.00% 2,225,913 100.00% 0.00% 0.00% 0.00% 20 21 **Totals** 100.00% 2,225,913 100.00% 0.00% 2,225,913 0.00% 22

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Cost of Debt

Line					
<u>No.</u> 1	_	End of Test Ye	ear - Actual		
2		Amount	Interest	_	
3		Outstanding	Rate		
4	Long-Term Debt	-	NA	_	
5					
6	Short-Term Debt		NA	_	
7				_	
8					
9					
10					
11		End of Test Yea	r - Proposed	End of Projected Yea	r - Proposed Rates
12		Amount	Interest	Amount	Interest
13		Outstanding (*)	Rate	Outstanding	Rate
14	Long-Term Debt	-	NA	-	NA
15	-				
16	Short-Term Debt	_	NA	_	NA
17	S. G. T. C. T. BODY				

Test Year Ended December 31, 2019 Cost of Preferred Stock

12

Line	
No.	
1	Schedule D-3 is not applicable as there is no preferred stock issued or
2	outstanding in any of the utilities involved in this rate case.
3	
4	
5	
6	
7	
8	
9	
10	
11	

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Comparative Balance Sheets

				Test Year Ended	Prior Year Ended	Prior Year Ended
Line No.	Account No.	Assets	39	12/31/2019	12/31/2018	12/31/2017
1	140.	Current and Accrued Assets		12/01/2010	12/01/2010	TETO ITEO IT
2	131	Cash		ê	Ē	9
3	132 133	Special Deposits Other Special Deposits		## ##	*	*
5	134	Working Funds		2	ž.	ž
6	135	Temporary Cash Investments		# # # # # # # # # # # # # # # # # # #	*	
7	141	Customer Accounts Receivable		22	2	티
8	142	Other Accounts Receivable		ž.	<u> </u>	3
9	143 146	Accumulated Provision for Uncollectable Accounts Notes Receivable from Associated Companies		₩ 20		5. E
11	151	Plant Material and Supplies			-	70
12	162	Prepayments		â	₩	365
13	173	Accrued Utility Revenue		*	¥	25
14	174	Miscellaneous Current and Accrued Assets			3	2005
15 16		Total Current Assets		=	*	365
17		Fixed Assets				
18	101	Utility Plant in Service*		1,577	1,577	1,577
19 20	105	Construction Work in Progress Accumulated Depreciation		1,640,306	1,600,905	1,600,905
21	108 121	Non-Utility Property		2	5	ž 2
22	122	Accumulated Depreciation - Non Utility		8	ě	<u> </u>
23		Total Fixed Assets		1,641,883	1,602,482	1,602,482
24 25		Other Fixed Assets				
26	114	Utility Plant Acquisition Adjustment				-
27 28		Total Other Fixed Assets		#	y	<u> </u>
29		Deferred Debits				
30	190	Accumulated Deferred Income Taxes		587,098	587,050	585,950
31 32		Total Deferred Debits		587,098	587,050	585,950
33		Total Assets		2,228,980	2,189,533	2,188,798
34 35		Liabilities and Stockholders' Equity				
36 37	231	Accounts Payable		3,068	2	2
38	232	Notes Payable (Current Portion)		-	F6	8
39	234	Notes Payable to Associated Companies		22	2	21
40	235	Customer Deposits		ä		3
41	236	Accrued Taxes		₩	(5)	
42 43	237 241	Accrued Interest Miscellaneous Current and Accrued Liabilities		*	-	_
44	253	Other Deferred Credits				5
45		Total Current Liabilities		3,068	(5)	2
46 47	252	Advances in Aid of Construction		_	_	
48	253	Other Deferred Credits		2	2	£
49	255	Accumulated Deferred Investment Tax Credits		æ	2	5
50	271	Contributions in Aid of Construction		*	-	
51	272	Less: Amortization of Contributions		2	ž.	₽
52 53	281	Accumulated Deferred Income Tax Total Deferred Credits		<u>e</u>		
54 55		Total Liabilities and Deferred Credits		3,068	(5)	5 5
56 57	201	Common Stock Issued	\$	100 \$	100 \$	100
58	211	Other Paid-In Capital		2,597,471	2,557,541	2,551,957
59	215	Unappropriated Retained Earnings		(371,658)	(367,947)	(363,260)
60	218	Proprietary Capital (Sole Props and Partnerships)			was a subject of the	
61 62		Total Members' Equity		2,225,913	2,189,694	2,188,797
63		Total Liabilities and Stockholders' Equity		2,228,980	2,189,689	2,188,797

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Comparative Income Statements

		Test Year Ended	Test Year Ended	Test Year Ended
No.		12/31/2019	12/31/2018	12/31/2017
	ng Revenue			
521	Flat Rate Revenues	概	578	1 <u>2</u> 5
522	Measured Revenues	12	海 斯	\$ 3 7
534	Rents from Wastewater Property	¥	(4)	(= 5)
536	Other Wastewater Revenues	=	55	3 2 3
Total Re	evenues		্রা কা	標別
Operation	ng Expenses			
701	Salaries and Wages	_		-
704	Employee Pensions and Benefits		32)	
710	Purchased Wastewater Treatment		943	34621 3 4 78
711	Sludge Removal Expense	ω.	S#00	140
715	Purchased Power	-	-	
716	Fuel for Power Production	10년 일본	974 (5 <u>2</u> 8	3501 320
718	Chemicals	-	burn	W. C.
720	Materials and Supplies	-		47.4
720.1	Repairs and Maintenance	il.	278 529	373) 497
	[1] [1] [1] [1] [1] [1] [1] [1] [1] [1]	-	-	-
720.2	Office Supplies and Expense	-	· · · · · · · · · · · · · · · · · · ·	(*)
721	Office Expense	60	7	
731	Contractual Services -Engineering	€	**	197
732	Contractual Services - Accounting	-	360	(A)
733	Contractual Services - Legal	509	\$ 5 00	18 11
734	Contractual Services - Management Fees	(1) (3)	•	(0)
735	Contractual Services - Testing	· ·	3 4)((4))
736	Contractual Services - Other	#	(**)	##/(
740	Rents - Building	8		-
	Intentionally Left Blank	≌	9 4 8	300
742	Rents - Equipment	8	; = 3	ien
750	Transportation Expenses	5	ĕ = (\$ 7 01
756	Insurance - Vehicle	12	<u>128</u>	5 4 0
757	Insurance - General Liability		-	(=):
758	Insurance - Worker's Compensation	ā	550	350
759	Insurance - Other	12	(4)	929
760	Advertising Expense	H	340	(- 1)
766	Regulatory Commission Expense - Rate Case	=	978	302
767	Regulatory Commission Expense - Other	<u> </u>	39	187
770	Bad Debt Expense	2	3=35	(=)/
775	Miscellaneous Expense	781	3,576	1,094
403	Depreciation Expense	8		10 1 0 0
408	Taxes Other Than Income	2	3405	(4)
408.11	Property Taxes	2,484	2,204	2,155
	Payroll Taxes	~ 	4	12 18
	Other Taxes and Licenses	<u>=</u>	848	3 4 3
409	Income Taxes	(123)	(1,100	293,845
- Table	perating Expenses	3,711	4,687	297,101
1.0.001.01		###C201		
Operation	ng Income / (Loss)	(3,711)	(4,687	(297,101)
Other In	come / (Expense)			
414	Gain/Loss on Dispositions		320	(E)
419	Interest and Dividend Income	- -		
421	Non-Utility Income	.₩ 136	956 1963	(E)
426	Miscellaneous Non-Utility (Expense)	5	2	(3)
426		-	(,•)	-11
	Interest (Expense) her Income / (Expense)			#12 1473
Total Of	income (Expense)			12/2
Net Inco	ome / (Loss)	(3,711)	(4,687	(297,101)
5	72 X	100000000000000000000000000000000000000		-

Hassayampa Utility Company, Inc.
Test Year Ended December 31, 2019
Comparative Statement of Changes in Financial Position

Line No.			Test Year Ended 12/31/2019		Prior Year Ended 2/31/2018		Prior Year Ended 12/31/2017
1	THE RESERVE						
2	Operating Activities	7529	0823612513356	123	201 (SEC.10)	22	#245EF#2783
3	Net income (loss)	\$	(3,711)	\$	(4,687)	\$	(297,101)
4	Adjustment to reconcile net income (loss)						
5	Deferred compensation		-		8		(*)
6 7	Depreciation		5949		*		\$(a .)
	Amortization Amortization of deferred debt issuance costs and discounts		()		語 21		(1
8 9	Write-off of debt issuance costs		85				827
10	Gain on sale of 303 contracts		0.00		-		0.000
11	(Gain) Loss on Equity Investment		984		-		5.54
12	Other gains and losses		1050		57 28		75\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
13	(Gain) Loss on disposal of fixed assets						79-
14	Loss on Sale of Willow Valley		1570				13=2
15	Provision for doubtful accounts receivable		953 758		# 2		2573 17 2 7
16	Deferred income tax (benefit) expense		848				(712)
17	Accounts receivables						V-12/
18	Other Receivables		(47)		(1,101)		293,845
19	Accrued revenue		(%)		- Northwest		/
20	Infrastructure coordination and financing fee receivable		1 - 1				Ne:
21	Income taxes receivable		78		2		72
22	Other current assets		40.086		5,793		3,967
23	Accounts payable and other current liabilities		3,073		(5)		22020000 ((+)
24	Other noncurrent assets				3,076		34
25	Other noncurrent liabilities		725		<u> </u>		57 <u>2</u> 5
26	Deferred revenue and prepaid ICFA fees		(<u>*</u>)		ж		8350
27	Net cash (used) provided by operating activities		39,401				(1)
28							
29	Investing Activities						
30	Capital expenditures		(39,401)		혈		244
31	Proceeds from the sale of Willow Valley		0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-		9		(I=3
32	Proceeds from sale of fixed and intangible assets		270		æ		1575
33	(Deposits) withdrawals of restricted cash		727		2		3/23
34	Deposits		194		:		3/01
35	Advance in aid of construction release		0.00		5		25
36	Net cash used in investing activities		(39,401)		ä		72
37			14/4/10/20 20/20/20/20/20/20/20/20/20/20/20/20/20/2				
38	Financing Activities						
39	Proceeds from bond		(Sa)		32		3(4)
40	Deposits in bond service fund		(*)		*		((m)
41	Proceeds withdrawn from bond service fund		4				3.5
42	Repayments of bond debt		725		9		25 2 5
43	(Deposit into)/ redemption from escrow for debt service		(<u>*</u>)		*		8340
44	Loan borrowings		0.50				255
45	Loan repayments		724		2		(72)
46	Principal payments under capital lease				×		(E)
47	Payment of Sonoran acquisition liability		1051		8		8. 5 5
48	Acquisition of utilities, deferred acquisition payments		1525		ě		7/≨3
49	Financing costs paid		\$ - 8		8		9#0
50	Debt issuance costs paid		82		=		1972
51	Advances in aid of construction		19		72		25
52	Dividends Paid		SPEX		iii.		360
53	Proceeds from sale of stock		3. 4 .		38		N e s
54	Contributions in aid of construction under ICFA agreements				9		
55	Payments of offering costs for sale of stock		59 4 5		124		\$(%)
56	Refunds of advances for construction		9.00		×		((*)
57	Net cash (used) provided by financing activities		经		â		3.5
58	Net change in cash		75-5		- 2		(1

Schedule E-4

Hassayampa Utility Company, Inc.
Test Year Ended December 31, 2019
Statement of Changes in Stockholders' Equity

Line		Comm	on Sto	ck	9	Additional		Retained		
No.		Shares	Ar	nount	Pa	id-In-Capital	- 1	Earnings		Total
1	STORY IN ADDRESS AND ADMINISTRATION		5.10	arrest and	Lichen		270,784*	8943		
2	Balance - December 31, 2016	æ	\$	100	\$	2,551,957	\$	(363,260)		
3										
4	Net Income							(297,101)		
5										
6	Dividends Paid							#		<u>#</u>
7	Oth //D 1 *							200 702		200 702
8 9	Other/Reclass*							288,703		288,703
10	Balance - December 31, 2017	-	\$	100	\$	2,551,957	\$	(371,658)	\$	2,180,399
11	Balance - December 31, 2017		Φ	100	φ	2,331,937	Φ	(371,030)	φ	2,100,399
12	Net Income							(4,687)		
13	THE MESING							(4,007)		
14	Dividends Paid							æ		949
15										
16	Other/Reclass*					5,583		8,398		
17						0.000.000.000.000		**************************************		
18	Balance - December 31, 2018	÷	\$	100	\$	2,557,540	\$	(367,947)	\$	2,189,693
19										
20	Net Income							(3,711)		
21								40 NO 50		
22	Dividends Paid							H		1=0
23	Tema No. 16 ts									
24	Other/Reclass*					39,931				39,931
25	P2 N 121 N 20 125 NS		25	0.272	21		120	NUMBER DESIGN	125	2702223230
26	Balance - December 31, 2019	12	\$	100	\$	2,597,471	\$	(371,658)	\$	2,225,913
27	check			100		2,597,471		(371,658)		2,225,913
28	31.3									
29 30	*Intercompany									
30										

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Detail Plant in Service

Sche	dule	E-5
SCH	duic	E-3

Line No.				End of Prior Year 2/31/2018	A	Net dditions		End of Test Year 2/31/2019
1		Utility Plant in Service						
2	351	Organization	S	7/4/7	\$	-	\$	æ
3		Franchises		75		55		G# (
4		Land and Land Rights		1,577		<u> </u>		1,577
5	354	Structures and Improvements		\$		2		343
6		Power Generation Equipment		10 m		*		(#C)
7	360	Collections Wastewater - Force		55		5		9 0 7
8	361	Collections Wastewater - Gravity		20		12		329
9	362	Special Collecting Structures		20		*		(#)
10	363	Services to Customers				ā		₹/:
11	364	Flow Measuring Devices		新		말		826
12	365	Flow Measuring Installations		€		*		S=0
13	366	Reuse Services		5		22		55
14	367	Reuse Meters & Meter Installations		21		82		(<u>E</u>).
15	370	Receiving Wells		÷		9		(=):
16	371	Pumping Equipment		#		*		1,50
17	374	Reuse Distribution Reservoirs		- 5		3		(8)
18	375	Reuse Trans. And Distr. Equipment		€:		9		340
19	380	Treatment and Disposal Equipment		報		æ		₩()
20	381	Plant Sewers		5		景		-
21	382	Outfall Sewer Lines		\$		9		343
22	389	Other Plant and Misc. Equipment		#		*		(#0)
23	390	Office Furniture and Equipment		75		<u>S</u>		177
24	390.1	Computer & Software		45		:2		329
25	391	Transportation Equipment		1 6		*		(#)
26	392	Stores Equipment		20		ā		3 7 /3
27	393	Tools, Shop and Garage Equipment		劉		발		826
28	394	Laboratory Equipment				*		380
29	395	Power Operated Equipment		5		8		-
30	396	Communication Equipment		26		22		(<u>~</u>).
31	397	Miscellaneous Equipment		æ		9		(=)(
32	398	Other Tangible Plant		*		*		3,50
33								
34								
35								
36		Total Utility Plant in Service	\$	1,577	\$	ŝ	\$	1,577
37		Six Principle (London Contra Part de 19 4 0 Pentro de 1944 de	11	4-98-F2XC11 (1);	2270		22500	25990000
38	107	Construction Work in Progress		1,600,905		39,401		1,640,306
39 40		Total Plant		1,602,482		39,401		1,641,883
41 42		Total Accum. Depreciation)(#)		*		=
43 44		Total Net Plant	\$	1,602,482	\$	39,401	\$	1,641,883

Test Year Ended December 31, 2019

Comparative Departmental Statements of Operating Income

Line No.		Test Year Ended 12/31/2019		Prior Year Ended 12/31/2018		Prior Year Ended 12/31/2017	
1	Operating Revenues	17.477		9040		non.	
2	Residential	\$	(4)	\$	=	\$	ĕ
3	Commercial		(4)		3		<u> </u>
4	Tatal Water Caller	\$		ć			2
5	Total Water Sales	\$	1923	\$	2:	\$	₩
6 7	Miscellaneous		848		21		<u>e</u>
8		TT.					
9	Total Operating Revenues	\$	N#	\$	Æ	\$	*
10							
11	OPERATING EXPENSES:						
12							
13	Operating Expenses (less tax and depreciation)	\$	1,350	\$	3,583	\$	1,101
14							
15	Depreciation	\$	3 5)	\$	5	\$	Āē
16							
17	TAXES						
18	Income Taxes	\$	(123)	\$	(1,100)	\$	293,845
19	Property taxes		2,484		2,204		2,155
20	Other Taxes and Licenses		(Z =)		*		*
21		_					4
22	TARREST ATTER	8 3 68	2 2 2 4		202020		205 200
23	TOTAL TAXES	\$	2,361	\$	1,104	\$	296,000
24 25	Total Operating Functions	4	2 711	ċ	4 607	\$	207 101
26	Total Operating Expenses	\$	3,711	\$	4,687	Þ	297,101
27	Operating Income/(Loss)	\$	(3,711)	\$	(4,687)	\$	(297,101)
28	Operating income/(coss)	Ş	(3,711)	7	(4,007)	3	(237,101)
29						Rec	ap Schedule
30						THE C	E-2

Test Year Ended December 31, 2019 Operating Statistics

		Test Year	Prior Year	Prior Year
Line		Ended	Ended	Ended
No.	Wastewater Statistics	12/31/2019	12/31/2018	12/31/2017
1				
2	Total Gallons Treated (in thousands)	-	-	-
3				
4	Wastewater Revenues from Customers	-	-	-
5				
6	Year End Number of Customers	-	-	-
7				
8	Annual Gallons (in Thousands)			
9	Treated Per Year End Customer	0.00	0.00	0.00
10				
11	Annual Revenue Per Year End Customer	-	-	-
12				
13	Pumping Costs per Year End Customer	-	-	-
14				
15	Pumping Cos per 1,000 Gallons	-	-	-

Test Year Ended December 31, 2019

Taxes Charged to Operations

19

20

Line No.		Te: E 12/3	Prior Year Ended 12/31/2018		Prior Year Ended 12/31/2017		
1							
2	Federal Taxes						
3	Income	\$	(123)	\$	(1,100)	\$	293,845
4	FICA (Employer's) *		867 (85 8¥5)		187 965 168 (1 14)		- AC
5	Unemployment *		9		(*)		3
6	Total Federal Taxes		(123)		(1,100)		293,845
7							
8							
9	State Taxes						
10	Income		5 <u>4</u> 7).		論		뒽
11	Property		2,484		2,209		2,155
12	Other		## (₩5)		740 (1)=1		
13	Unemployment *		50				8
14	Total State Taxes		2,484		2,209		2,155
15							
16							
17	Total Taxes to Operations		2,361		1,109		296,000
18		·			-		

^{*} FICA and Unemployment are included with Salaries and Wages on C-1, E-2 and E-6.

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Notes to Financial Statements

Schedule E-9 Page 1 of 4

Line No.

Following are the significant accounting policies for Global Water. Please note that some of these accounting policies may only be applicable to the parent company, GWRI.

Basis of Presentation and Principles of Consolidation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company prepares its financial statements in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates

The Company qualifies as an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), under the rules and regulations of the SEC. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. The Company has elected to take advantage of these provisions for up to five years or such earlier time that the Company is no longer an emerging growth company. The Company has elected to take advantage of some of the reduced disclosure obligations regarding financial statements. Also, as an emerging growth company, the Company can elect to delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has chosen to take advantage of this extended accounting transition provision.

Significant Accounting Policies

Regulation

Our regulated utilities and certain other balances are subject to regulation by the ACC and are therefore subject to Accounting Standards Codification Topic 980, Regulated Operations ("ASC 980").

Property, plant, and equipment

Property, plant, and equipment is stated at cost less accumulated depreciation provided on a straight-line. Depreciation rates for asset classes of utility property, plant, and equipment are established by the ACC. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant, and equipment. When units of utility property are replaced, renewed, or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

For non-utility property, plant, and equipment, depreciation is calculated by the straight-line method over the estimated useful lives of depreciable assets. Cost and accumulated depreciation for non-utility property, plant, and equipment retired or disposed of are removed from the accounts and any resulting gain or loss is included in earnings.

In addition to third party costs, direct personnel costs and indirect construction overhead costs may be capitalized. Interest incurred during the construction period is also capitalized as a component of the cost of the constructed assets, which represents the cost of debt associated with construction activity. Expenditures for maintenance and repairs are charged to expense.

Revenue Recognition-Water Services

Water services revenues are recorded when service is rendered, or water is delivered to customers. However, in addition to the monthly basic service charge, the determination and billing of water sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each reporting period, amounts of water delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is recorded.

Water connection fees are the fees associated with the application process to set up a customer to receive utility service on an existing water meter. These fees are approved by the ACC through the regulatory process and are set based on the costs incurred to establish services including the application process, billing setup, initial meter reading, and

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Notes to Financial Statements

Schedule E-9 Page 2 of 4

service transfer. Because the amounts charged for water connection fees are set by our regulator and not negotiated in conjunction with the pricing of ongoing water service, the connection fees represent the culmination of a separate earnings process and are recognized when the service is provided.

Meter installation fees are the fees charged to developers or builders associated with installing new water meters. Certain fees for meters are regulated by the ACC and are refundable to the end customer over a period of time. Refundable meter installation fees are recorded as a liability upon receipt. These fees are recognized as revenue when the service is rendered, or when a water meter is installed.

Revenue Recognition—Wastewater and Recycled Water Services

Wastewater service revenues are generally recognized when service is rendered. Wastewater services are billed at a fixed monthly amount per connection, and recycled water services are billed monthly based on volumetric fees.

Revenue Recognition-Unregulated Revenues

Unregulated Revenues represent those revenues that are not subject to the ratemaking process of the ACC. Unregulated revenues are limited to rental revenue and imputed revenues resulting from certain infrastructure coordination and financing agreement arrangements ("ICFAs").

Allowance for Doubtful Accounts

Provisions are made for doubtful accounts due to the inherent uncertainty around the collectability of accounts receivable. The allowance for doubtful accounts is recorded as bad debt expense, and is classified as general and administrative expense. The allowance for doubtful accounts is determined considering the age of the receivable balance, type of customer (e.g., residential or commercial), payment history, as well as specific identification of any known or expected collectability issues.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments in debt instruments with an original maturity of three months or less.

Restricted Cash

Restricted cash represents cash deposited relating to HUF tariffs, asset retirement obligations and pending legal matters. *Income Taxes*

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

 Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Notes to Financial Statements

Schedule E-9 Page 3 of 4

Line No.

We evaluate uncertain tax positions using a two-step approach. Recognition (step one) occurs when we conclude that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that more-likely-than-not will be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when we subsequently determine that a tax position no longer meets the more-likely-than-not threshold of being sustained. The use of a valuation allowance as a substitute for derecognition of tax positions is prohibited, and to the extent that uncertain tax positions exist, we provide expanded disclosures.

Goodwill represents the excess purchase price over the fair value of net tangible and identifiable intangible assets acquired through acquisitions. Goodwill is not amortized, it is instead tested for impairment annually, or more often, if circumstances indicate a possible impairment may exist. As required, we evaluate goodwill for impairment annually, and do so as of November 1 of each year, and at an interim date if indications of impairment exist. When testing goodwill for impairment, we may assess qualitative factors, including macroeconomic conditions, industry and market considerations, overall financial performance, and entity specific events to determine whether it is more likely than not that the fair value of an operating and reportable segment is less than its carrying amount. We utilize internally developed discounted future cash flow models, third-party appraisals, or broker valuations to determine the fair value of the reporting unit. Under the discounted cash flow approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates. Our estimated future cash flows are based on historical data, internal estimates, and external sources. We then compare the estimated fair value to the carrying value. If the carrying value is in excess of the fair value, an impairment charge is recorded to asset impairments within our consolidated statement of operations in the amount by which the reporting unit's carrying value exceeds its fair value, limited to the carrying value of goodwill. Intanaible Assets

Intangible assets not subject to amortization consist of certain permits expected to be renewable indefinitely, water rights and certain service areas acquired in transactions which did not meet the definition of business combinations for accounting purposes, and are considered to have indefinite lives. Intangible assets with indefinite lives are not amortized but are tested for impairment annually, or more often if certain circumstances indicate a possible impairment may exist. Amortized intangible assets consist primarily of acquired ICFA contract rights.

Debt Issuance Costs

In connection with the issuance of some of our long-term debt, we have incurred legal and other costs that we believe are directly attributable to realizing the proceeds of the debt issued. These costs are netted against long-term debt and amortized as interest expense using the effective interest method over the term of the respective debt.

Impairment of Long-Lived Assets

Management evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indicator of possible impairment exists, an undiscounted cash flow analysis would be prepared to determine whether there is an actual impairment. Measurement of the impairment loss is based on the fair value of the asset. Generally, fair value will be determined using appraisals or valuation techniques such as the present value of expected future cash flows.

Test Year Ended December 31, 2019
Notes to Financial Statements

Schedule E-9 Page 4 of 4

Line No.

Advances and Contributions in Aid of Construction

The Company has various agreements with developers and builders, whereby funds, water line extensions, or wastewater line extensions are provided to us by the developers and are considered refundable advances for construction. These AIAC are non-interest-bearing and are subject to refund to the developers through annual payments that are computed as a percentage of the total annual gross revenue earned from customers connected to utility services constructed under the agreement over a specified period. Upon the expiration of the agreements' refunding period, the remaining balance of the advance becomes nonrefundable and at that time is considered CIAC. CIAC are amortized as a reduction of depreciation expense over the estimated remaining life of the related utility plant. For rate-making purposes, utility plant funded by AIAC or CIAC are generally excluded from rate base.

Fair Value of Financial Instruments

The carrying values of cash equivalents, trade receivables, and accounts payable approximate fair value due to the short-term maturities of these instruments. Portions of these non-interest-bearing instruments are payable annually through 2032 and amounts not paid by the contract expiration dates become nonrefundable. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables, including new customer connections, customer consumption levels, and future rate increases. However, the fair value of these amounts would be less than their carrying value due to the non-interest-bearing feature.

Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing operating performance. In consideration of ASC 280—Segment Reporting the Company notes it is not organized around specific products and services, geographic regions, or regulatory environments. The Company currently operates in one geographic region within the State of Arizona, wherein each operating utility operates within the same regulatory environment.

While the Company reports its revenue, disaggregated by service type, on the face of its Statements of Operations, the Company does not manage the business based on any performance measure at the individual revenue stream level. The Company does not have any customers that contribute more than 10% to the Company's revenues or revenue streams. Additionally, we note that the CODM uses consolidated financial information to evaluate the Company's performance, which is the same basis on which he communicates the Company's results and performance to the Board of Directors. It is upon this consolidated basis from which he bases all significant decisions regarding the allocation of the Company's resources on a consolidated level. Based on the information described above and in accordance with the applicable literature, management has concluded that the Company is currently organized and operated as one operating and reportable segment.

Test Year Ended December 31, 2019

45

46

47

48

49

50

51

419 Interest and Dividend Income

NET INCOME / (LOSS)

426 Miscellaneous Non-Utility (Expense)

Total Other Income / (Expense)

421 Non-Utility Income

427 Interest (Expense)

Projected Income Statements - Present and Proposed

Test Year Present Rates Proposed Rates Line Actual Year Ended Year Ended 12/31/2019 12/31/2020 12/31/2020 No. Adjustments 1 Operating Revenues 2 3 701 Salaries and Wages 4 704 Employee Pensions and Benefits 5 710 Purchased Wastewater Treatment 711 Sludge Removal Expense 6 7 715 Purchased Power 8 716 Fuel for Power Production 9 718 Chemicals 720 Materials and Supplies 10 11 720 Repairs and Maintenance 720 Office Supplies and Expense 12 13 721 Office Expense 60 60 60 731 Contractual Services - Engineering 14 4 1 732 Contractual Services - Accounting 15 733 Contractual Services - Legal 509 509 509 16 17 734 Contractual Services - Management Fees 735 Contractual Services - Testing 18 19 736 Contractual Services - Other 740 Rents - Building 20 21 Intentionally Left Blank 22 742 Rents - Equipment 23 750 Transportation Expenses 24 756 Insurance - Vehicle 25 757 Insurance - General Liability 26 758 Insurance - Worker's Compensation 759 Insurance - Other 27 28 760 Advertising Expense 29 766 Regulatory Commission Expense - Rate Case 30 767 Regulatory Commission Expense - Other -31 770 Bad Debt Expense 32 775 Miscellaneous Expense 781 781 781 33 403 Depreciation Expense . 408 Taxes Other Than Income 34 35 408 Property Taxes 2,484 2,484 2,484 408 Payroll Taxes 36 1 37 408 Other Taxes and Licenses (123)(123)(123)38 409 Income Taxes Total Operating Expenses 39 3,711 3,711 3,711 40 41 Operating Income / (Loss) (3,711)(3,711)(3,711)42 43 OTHER INCOME / (EXPENSE 44 414 Gain/Loss on Dispositions 0

(3,711)

(3,711)

Schedule F-1

(3,711)

Hassayampa Utility Company, Inc. Test Year Ended December 31, 2019 Projected Statements of Changes in Financial Position Present and Proposed Rates

		Test Year		Projected Year Present Propos			
Line				Rates		Proposed Rates	
No.			/31/2019		/31/2020		31/2020
1		-			CHARLES COLUMN		
2	Operating Activities						
3	Net income (loss)	\$	(3,711)	\$	(3,711)	\$	(3,711
4	Adjustment to reconcile net income (loss)						
5	Deferred compensation		#:		52		52
6	Depreciation		€:		53		i.e.
7	Amortization		*		(3)		\approx
8	Amortization of deferred debt issuance costs and discounts		-		72		12
9	Write-off of debt issuance costs		T :		35		18
10	Gain on sale of 303 contracts		81				8
11	(Gain) Loss on Equity Investment		9		8		
12	Other gains and losses		*				35
13	(Gain) Loss on disposal of fixed assets		#:				
14	Loss on Sale of Willow Valley		€:		57		10
15	Provision for doubtful accounts receivable		*		19		*
16	Deferred income tax (benefit) expense				72		
17	Accounts receivables				74-4		7.2
18	Other Receivables		(47)		(47)		(47
19	Accrued revenue				85		
20	Infrastructure coordination and financing fee receivable		5 1		:=		
21	Income taxes receivable		40.096		40.000		40.000
22 23	Other current assets		40,086 3.073		40,086		40,086 3,073
24	Accounts payable and other current liabilities Other noncurrent assets		3,073		3,073		3,073
25	Other noncurrent liabilities				-		
26	Deferred revenue and prepaid ICFA fees		5i 2s		55		iii (2
27	Net cash (used) provided by operating activities		39,401				
28	Net cash (used) provided by operating activities		55,401				
	Investing Activities						
29	Investing Activities		(00.404)		(00 101)		100 101
30	Capital expenditures		(39,401)		(39,401)		(39,401
31 32	Proceeds from the sale of Willow Valley		<u>=</u> :		hT.		2
	Proceeds from sale of fixed and intangible assets (Deposits) withdrawals of restricted cash		8		i e 88		
33 34	Deposits		-		-		-
35	Advance in aid of construction release				e e		13
36	Net cash used in investing activities		(39,401)				
37	Net cash used in investing activities		(104,66)				
38	Financing Activities						
39	Proceeds from bond		-		-		
40 41	Deposits in bond service fund		<u>-</u>		47		8
	Proceeds withdrawn from bond service fund		89		.a		3 7 80
42 43	Repayments of bond debt (Deposit into)/ redemption from escrow for debt service		-		:-		-
43 44	Loan borrowings		55 20		3		35
na sann			100		193 193		(# (g)
45 46	Principal payments under capital lease		5		17		
47	Payment of Sonoran acquisition liability		78 94		2		- 15 - 12
48	Acquisition of utilities, deferred acquisition payments		_				-
49	Financing costs paid				- 55		8
50	Debt issuance costs paid		21		- 15		2
51	Advances in aid of construction				-		
52	Dividends Paid		5: Er		2		:3 (2
53	Proceeds from sale of stock		100		72		12
54	Contributions in aid of construction under ICFA agreements		5		77		
55	Payments of offering costs for sale of stock		8		2		35 32
56	Refunds of advances for construction		-		_		
57	Net cash (used) provided by financing activities				- 5		- 2
58	Net change in cash		Di Di				9
59							
60	Supporting Schedules:						

⁶¹ E-3 62 F-3

Test Year Ended December 31, 2019 Projected Construction Requirements

Line		Through		Through		Through	
No.	Property Classification	12/31/2020		12/31/2021		12/31/2022	
1							
2	Well Development	\$	-	\$	-	\$	-
3							
4	Water Distribution Centers						
5							
6	Treatment and/or Blending						
7							
8	Pipelines						
9							
10	SCADA						
11							
12	Other						
13							
14	Totals	\$	-	\$	-	\$	
15		(Sch. B-2.1)		·	·		

Hassayampa Utility Company, Inc.

Test Year Ended December 31, 2019 Assumptions Schedule F-4

Line No.

 Revenues and expenses were projected using the pro forma changes to the test year ending December 31, 2019. Actual expenses incurred during the test year ending December 31, 2019, were considered when developing pro forma adjustments. Where known and measurable changes are expected to occur, those changes are applied to determine pro form adjustments.

Construction forecasts are based on estimated plant requirements including new facilities, the replacement of existing facilities, and the improvement and maintenance of infrastructure necessary to ensure safe and reliable service.

Hassayampa Utility Company, Inc.

Test Year Ended December 31, 2019 Schedules G- thru G-7 Cost of Service Study

Hassayampa Utility Company, Inc. has no customers, no revenue, and no rate of return. A cost of service study, which apportions rate of return to different classes of customers cannot be performed when there are no customers.

Hassayampa Utility Company, Inc.

Test Year Ended December 31, 2019 Schedule H-1 thru H-5 Revenues by customer class and billing analysis.

Hassayampa Utility Company, Inc. has no customers and no revenue. Therefore there is no revenue to assign to different customer classes and there is no billing data to analyze.

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Computation of Increase in Gross Revenue Requirement

Schedule A-1

Line No.	DESCRIPTION	Ť	[A]	[B]		[C] RIGINAL COST	[D] FAIR VALUE
IVO.	DESCRIPTION				6	0001	VALUE
1 2	Adjusted Rate Base					1,075,007	1,075,007
3	Adjusted Operating Income (Loss)					(5,128)	(5,128)
5	Current Rate of Return (Line 3 /Line 1)					-0.48%	-0.48%
7 8	Required Operating Income (Line 9 * Line 1)					*	ā
9	Required Rate of Return					0.00%	0.00%
11 12	Operating Income Deficiency (Line 7 - Line 3)					5,128	5,128
13 14	Gross Revenue Conversion Factor					1.0515	1.0515
15 16	Increase in Gross Revenue Requirements					12	2
17 18	Customer	Pr	esent	Proposed		Dollar	Percent
19	Classification	(20,00)	lates	Rates		ncrease	Increase
20	Designation				•		0.00/
21 22	Residential Commercial				\$	₽. 43	0.0% 0.0%
23	Irrigation					-	0.0%
24	Hydrant					≅: 81	0.0%
25	Lake					-	0.0%
26 27	Non-Potable (Raw Water)					5	0.0%
28	Total of Water Revenues	\$	12 5 0	\$ (€ u	\$	<u> </u>	0.0%
29 30	Miscellaneous Revenues	\$	9 .6 6	\$ 8 0 00	\$		0.0%
31 32	Total Operating Revenues	\$	3	\$ 70	\$	29 53	0.0%
33 34	Total Adjusted Revenues (Schedule C-1)	\$	OS:	\$ #6	\$	8	0.0%
35							

35 36 37

Supporting Schedules:

38 B-1

39

C-1 C-3 40

41 H-1

Test Year Ended December 31, 2019 Summary of Results of Operations

		9 <u>12</u> 025		2-8256VT		2 <u>22</u> 0078				Projected \		
Intransi	tore		Prior Years Ended				Year			Present	Proposed	
Line No.	Description	12/31/20	17 12	12/31/2018		Actual 2/31/2019		Adjusted 12/31/2019		Rates 12/31/2021	Rates 12/31/2021	
1	Gross Revenues	\$	- \$	-	\$		\$	-	\$	- \$	-	
2												
3	Revenue Deductions and											
4	Operating Expenses	402,	626	6,948		5,128		5,128		5,128	5,128	
5		Th. #444000107		7.400.000.000.000.000				*			***************************************	
6	Operating Income	(402,	626)	(6,948)		(5,128)		(5,128)		(5,128)	(5,128)	
7	01 1 1 1 1 1											
8	Other Income and Deductions		Π	73		851		<u>₽</u>		5	5	
10	Interest Expense		-	#1		(())		i -				
11	interest Expense			71		6250		477		150	-	
12	Net Income	(402,	626)	(6,948)		(5,128)		(5,128)		(5,128)	(5,128)	
13		1,000	5,75%			1					10,000	
14	Common Shares	1,	000	1,000		1,000		1,000		1,000	1,000	
15												
16	Earned Per Average											
17	Common Share	NA	NA		NA		NA		NA	NA		
18												
19	Dividends Per											
20	Common Share	NA	NA		NA		NA		NA	NA		
21		521762	108/247		2020		7058161		1360/19:	200		
22	Payout Ratio	NA	NA		NA		NA		NA	NA		
23 24	Datum on Augusta											
25	Return on Average Invested Capital	NA	NA		NA		NA		NA	NA		
26	invested Capital	1974	INA		INA		INM		INA	IVA		
27	Return on Year End											
28	Capital	NA	NA		NA		NA		NA	NA		
29	(alternations)	124310	700415124							(1)0500		
30	Return on Average											
31	Common Equity	NA	NA		NA		NA		NA	NA		
32												
33	Return on Year End											
34	Common Equity	NA	NA		NA		NA		NA	NA		
35												
36	Times Bond Interest Earned	822.28	1000000		12/27417		neure		0.550	9297789		
37	Before Income Taxes	NA	NA		NA		NA		NA	NA		
38 39	Times Total Interest and											
40	Preferred Dividends Earned											
41	After Income Taxes	NA	NA		NA		NA		NA	NA		
42	Auto moone rakes	136	14/4		IVA					NA		
43												
44	Supporting Schedules:											
45	E-2											
46	C-1											
47	F-1											

Test Year Ended December 31, 2019 Summary of Capital Structure

Line		Prior Ye	ears Ended	Test Year	Projected Year
No.	Description	12/31/2017	12/31/2018	12/31/2019	12/31/2021
1	Short-Term Debt	\$	\$	\$	\$ -
2		***		9607	70.Pcs.
3	Long-Term Debt	0.7	s 6 7 0	5.	1570
4	3				
5	Total Debt	25			
6					
7	Preferred Stock	138		#	8 4 8
8					
9	Common Equity	3,847,577	3,848,684	3,884,840	3,884,840
10	S. Son english and the son of the single of the first and the son of the single of the son of the single of the son of the single of the singl	Gertheit-Managen-Fotta	School School School		62 1 07 5 0 11 11 10 10 10 10 10 10 10 10 10 10 1
11	Total Capital	3,847,577	3,848,684	3,884,840	3,884,840
12	With Control of Control Contro	54/F6007190/X0-2730-100	CONTRACTOR CONTROL TO THE CONTROL OF	HAT BE CONSIDER TO CONTROL	39.Ke243007.K-94.6394400
13	Capitalization Ratios:				
14					
15	Short-Term Debt	E16	2 X 2 3		13 5 7
16					
17	Long-Term Debt	O s	s K a s	*	200
18	90				
19	Total Debt	19 8	396	×	196
20					
21	Preferred Stock	82	923	2	343
22					
23	Common Equity	100%	6 100%	100%	100%
24					
25	Total Capital	100%	6 100%	100%	100%
26					
27	Weighted Cost of				
28	Short-Term Debt	935	3.41	*	10
29					
30	Weighted Cost of				
31	Long-Term Debt	19	1843	2	
32					
33	Weighted Cost of				
34	Senior Debt	38	E	8	
35					
36					
37	Supporting Schedules:				
38	E-1				
39	D-1				

Schedule A-4

Test Year Ended December 31, 2019

Construction Expenditures and Gross Utility Plant Placed in Service

Line No.			Constr Expend		Plac	Plant ed In vice	Gross Utility Plant In Service		
1	Prior Year Ended	12/31/2017	\$	-	\$	-	\$	_	
2 3 4	Prior Year Ended	12/31/2018		-		-		-	
5 6	Test Year Ended	12/31/2019		-		-		-	
7 8 9	Projected Year Ended	12/31/2020		-		-		-	
10									
11									
12									
13	Supporting Schedules:								
14	F-3								
15	E-5								

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Comparative Statement of Changes in Financial Position

					Projecte		
Line		Prior Years E	ndad	Test Veer	Present Rates	Proposed Rates	
No.			/31/2018	12/31/2019	12/31/2020	12/31/2020	
2000		Committee of the Commit	(3011)38 (1130)		1303.11	11-11-11-11-11-11-11-11-11-11-11-11-11-	
1	Telectrocomponents (a) contribute with up to different contribute						
2	Operating Activities	gc 500 82 32	25 10	20 72 Si	S 25 350	327 32 3	
3	Net income (loss)	\$ (402,626) \$	(6,948)	\$ (5,128)	\$ (5,128)	\$ (5,128	
4	Adjustment to reconcile net income (loss)						
5 6	Deferred compensation		55			107	
7	Depreciation Amortization		55 26			95	
3	Amortization Amortization of deferred debt issuance costs and discounts		20	-		192	
9	Write-off of debt issuance costs	55	25	3	2	63	
10	Gain on sale of 303 contracts		#6 #8	8	17	10	
11	(Gain) Loss on Equity Investment		**			33	
12	Other gains and losses	£6	20	3	9	7.0	
13	(Gain) Loss on disposal of fixed assets	말	£2	8	12	73	
14	Loss on Sale of Willow Valley	ři.	70	8	5	25	
15	Provision for doubtful accounts receivable	533967	78	8	-	19	
16	Deferred income tax (benefit) expense	(712)) 3	*	*	33	
17	Accounts receivables		29	₽	- F	(C)	
18	Other Receivables	397,060	(1,476)	16	16	16	
19	Accrued revenue	哥	€	ā	5	0.5	
20	Infrastructure coordination and financing fee receivable	8	*8	8	25	13.6	
21 22	Income taxes receivable	5,777	8,930	41,440	41.440	41,440	
23	Other current assets Accounts payable and other current liabilities	500	(505)	3,073	41,440 3,073	3,073	
24	Other noncurrent assets	300	(303)	3,073	3,073	3,073	
25	Other noncurrent liabilities	2	50 ¥3		20	25	
26	Deferred revenue and prepaid ICFA fees	¥	28	9	4	52	
27	Net cash (used) provided by operating activities	(1)	1	39,401	39,401	39,401	
28		15000		[240. \$ 60 9 686	22256W85V1	C1005000	
29	Investing Activities						
30	Capital expenditures		15	(39,401)	(39,401)	(39,401	
31	Proceeds from the sale of Willow Valley	*	36	(3.0)	35	(6)	
32	Proceeds from sale of fixed and intangible assets	₩	9	195	9	23	
33	(Deposits) withdrawals of restricted cash	25	ũ.	239	ĕ	192	
34	Deposits	5		-	i i	100	
35	Advance in aid of construction release	5	25	(*)	*	(*	
36	Net cash used in investing activities	8	8 8	(39,401)	(39,401)	(39,401	
37							
38	Financing Activities						
39	Proceeds from bond	25	22	12	12	1(2	
40	Deposits in bond service fund	2	20	8	2	7.0	
41	Proceeds withdrawn from bond service fund	σ.	55	17		17	
12	Repayments of bond debt	39	*5	3	28	95	
43	(Deposit into)/ redemption from escrow for debt service	×	**	*	2	100	
44 45	Loan borrowings Loan repayments	55	-0	8		75	
46	Principal payments under capital lease	2	- 8	8	8	33	
17	Payment of Sonoran acquisition liability	2	23	20	99 14	10.5	
18	Acquisition of utilities, deferred acquisition payments		25	3	2	574	
19	Financing costs paid	鉴	20	8	4	73	
50	Debt issuance costs paid	5.	70			0.5	
51	Advances in aid of construction	5	76	8		196	
52	Dividends Paid	8	*3	*	*	38	
53	Proceeds from sale of stock	2	- DO	Si	2		
54	Contributions in aid of construction under ICFA agreements	150	- 2	Ę	2	772	
55	Payments of offering costs for sale of stock	즉	≅	- 5	要	02	
56	Refunds of advances for construction		*	3	25	1.0	
57	Net cash (used) provided by financing activities		¥8	· ·	56	194	
58	Net change in cash	0	1	營	0	0	
59	F 1 F1 (1)						
60	Supporting Schedules						

⁶¹ E-3

⁶² F-2

Balterra Sewer, LLC_Hassayampa Utility Company,

Schedule B-1

Test Year Ended December 31, 2019 Summary of Fair Value Rate Base

		Original Cost
Line		Rate Base
No.		As Filed
1	Plant in Service	278,280
2	Less: Accumulated Depreciation	-
3		
4	Net Plant in Service	278,280
5		
6	LESS:	
7	Net CIAC	-
8	Advances in Aid of Construction (AIAC)	-
9	Customer Deposits	-
10	Deferred Income Tax Credits	-
11		
12	ADD:	
13	Unamortized Finance Charges	
14	Deferred Tax Assets	796,727
15	Working Capital	
16	Utility Plant Acquisition Adjustment	
17		
18	Original Cost Rate Base	1,075,007
19		
20		
21	Supporting Schedules:	
22	B-2	
23	B-3	
24	E-1	
25	B-5	

Test Year Ended December 31, 2019

Detail Plant in Service

Schedule B-2 Page 1 of 2

		A	B PTYP	C	D	E 3	E	G	\mathbf{H}
		Actual	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjusted
Line		Test Year	1	2	3	4	5	6	Test Year
No.		End	B.2.1	B.2.2	B.2.3	B.2.4	B.2.5	B.2.6	As Filed
1	Utility Plant in Service								
2	351 Organization	10 1 21							3(4)
3	352 Franchises	2002 Blog							200 500
4	353 Land and Land Rights	278,280							278,280
5	354 Structures and Improvements	0.26							623
6	355 Power Generation Equipment	22							(12)
7	360 Collections Wastewater - Force	1724							1/2
8	361 Collections Wastewater - Gravity	020							(-)
9	362 Special Collecting Structures	1554							87.5
10	363 Services to Customers	1 100							5.5±
11	364 Flow Measuring Devices	12.55E							923
12	365 Flow Measuring Installations	199							(#P)
13	366 Reuse Services	2390							8 4 6
14	367 Reuse Meters & Meter Installations	1983							363
15	370 Receiving Wells	5.97							((-
16	371 Pumping Equipment	1996							1840
17	374 Reuse Distribution Reservoirs	1000							828
18	375 Reuse Trans. And Distr. Equipment	7/28							W23
19	380 Treatment and Disposal Equipment	200							·
20	381 Plant Sewers	11.00							2570
21	382 Outfall Sewer Lines	1454							195
22	389 Other Plant and Misc. Equipment	11 000							70.5
23	390 Office Furniture and Equipment	(14)							0(*0
24	390.1 Computer & Software	HE1							1791
25	391 Transportation Equipment	200							P46
26	392 Stores Equipment	1141							500
27	393 Tools, Shop and Garage Equipment	94							7025
28	394 Laboratory Equipment	182							828
29	395 Power Operated Equipment	120							920
30	396 Communication Equipment	191							1323
31	397 Miscellaneous Equipment	7.53							200
32	398 Other Tangible Plant	0.75							NF.3
33	398 Other rangible Flam	512							375
34									876
									((*)
35	Tarabilita Directive	279 200						175	278,280
36	Total Utility Plant in Service	278,280	S	8	影	9毫5	9-01	19	278,280
37		2012.001							2 412 441
38	107 Construction Work in Progress	2,812,901							2,812,901
39	President and American State of the Control of the	NACT AND A STATE OF							40 Water 12 A V
40	Total Plant	3,091,181	*	3	8		50	9	3,091,181
41	CERTAIN CONTRACTOR AND CERTAIN CERTAIN CONTRACTOR OF CONTR								
42	Total Accum. Depreciation								85°s
43	TABLETTER ME GENERALISMONT								20220000
44	Total Net Plant	3,091,181		ž.	8	56	148	3	3,091,181

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Schedule B-2 Page 2 of 2

		UNADJUSTED		ADJ #B1 PTYP	ADJ #B2 ADIT	ADJ #B3	ADJ #B4	ADJ #B5	ADJ #B6	ADJ #B7	ADJUSTED
Gross P	lant in Service	27	8,280	128	(25)	2	19	525	ă	<u> </u>	278,280
Less:											
	Accumulated Depreciation		28	945	100	18	23	198	12	26	(\$2)
	Net Plant in Service	27	8,280	128	25	2	17.	525	ä	<u> 1</u> /	278,280
Less:											
	Advances in Aid of Constructio		48								841
	Contributions in Aid of Construc	ction									
	Gross		15								973
	Accumulated Amortizatic		8								3 -3 1
	Net Contributions in Aid of Con		18								821
	Deferred Income Tax		13	876							57.5
	Customer Deposits		150								33
Add:											
	Working Capital		13								959
	Deferred Tax Assets	79	6,727								796,727
T I.D.	-	1.02	E 007								1.075.007
I otal R	ate Base:	1,0/	5,007	573	- 58		- 5	900	- 5	- 5	1,075,007

Test Year Ended December 31, 2019 Schedule B-3 RCND Rate Base Pro forma Schedule B-3

LINE NO.

4 5 6

1	The Company has opted not to perform a RCND study and adopts its
2	original cost rate base as the fair value rate base.
3	

Test Year Ended December 31, 2019 Schedule B-4 RCND By Major Plant Account Schedule B-4

LINE NO.

4 5 6

1	The Company has opted not to perform a RCND study and adopts its
2	original cost rate base as the fair value rate base.
3	

Test Year Ended December 31, 2019 Schedule B-5 Computation of Working Capital

LINE NO.

1	Operating Expenses	Test Year Results		Revenue Lag Days		Expense Lag Days		Net Lag Days		Lead / Lag Factor		Requiremen	
2 3	Purchased Power	\$	1,644,009	\$	39	\$	24	\$	16	\$	0	\$	71,683
4	Payroll		5,849,624		39		9		31		0		492,369
5	Chemicals		265,021		39		9 17		22		0		16,221
6	Property & Liability Insurance		280,025		39		2		37		0		28,546
7	Worker's Compensation Insurance		90,650		39		(69)		108		0		26,932
8	Medical, Vision, Dental, LTD & Life Insurance		642,050		39		3		36		0		63,543
9	Other O&M (Excluding Rate Case Expense)		1,053,862		39		38		1		0		3,028
9 10	Federal Income Taxes		86,375		39		38		2		0		463
11	State Income Taxes		141,000		39		38		2 31		0		757
12	FICA Taxes		371,590		39		9		31		0		31,277
13	FUTA & SUTA Taxes		4,979		39		9		31		0		419
14	Property Taxes		2,165,582		39		180		(140)		(0)		(831,277)
15	Registration, Svc. Contracts, & Misc. Fees		1,683,381		39		34		5		0		24,643
16	Retirement Annuities (401k)		163,492		39		66		(26)		(0)		(11,665)
17													
18	Total	\$	14,441,639									\$	(83,060)
19		-											
20													
21	Supporting Schedules											Rec	p Schedules
22	(a) E-1											B-1	

Test Year Ended December 31, 2019 Schedule B-5 Computation of Working Capital Schedule B-5 Page 2 of 2

LINE NO.

						Allocation
	Total	Working		2019 Year		of
	Cash			End	Percent	Working
1	Requ	irement	Company	Counts	Allocation	Capital
2	\$	(83,060)	Palo Verde	21,109	46.1%	\$ (38,307)
3			Santa Cruz	21,357	46.7%	(38,757)
4			North Scottsdale	92	0.2%	(167)
5			Tonopah	413	0.9%	(749)
6			Eagletail	57	0.1%	(103)
7			Turner Ranches	963	2.1%	(1,748)
8			Red Rock Sewer	883	1.9%	(1,602)
9			Red Rock Water	896	2.0%	(1,626)
10				45,770		
11						
12			Palo Verde RRS Consolida	ated		(39,909)
13			Santa Cruz RRW Consolid	lated		(40,383)

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Adjusted Test Year Income Statement

			[A]	[B]	[C]	[D]	[E]
N	. .		Actual Test Year	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Proposed Rate Increase	Adjusted With Rate Increase
1	Operation	ng Revenue		200000000000000000000000000000000000000			
2	521	Flat Rate Revenues	•	8		3	30
3	522	Measured Revenues	S	- 8		3	5
4	534	Rents from Wastewater Property	127	52	350	2	127
5	536	Other Wastewater Revenues	U233	12	7520	2	0.00
6			5 <u>6</u> 5	12	523	2	866
7	LC		1880 1880	謹	181	<u> </u>	HEQ.
B 9	Total Re	evenues	经国际	12	(#)	HT:	940
0	Operation	ng Expenses					
1	701	Salaries and Wages	可能	1≧		9	6 <u>1</u> 6
2	704	Employee Pensions and Benefits	(34)6	9	764	9	(343)
3	710	Purchased Wastewater Treatment	6,255	32	545		6.255
	711	Sludge Removal Expense	(9)	€	(4)		(40)
5	715	Purchased Power	19 <u>7</u> 3	18	9*1	⊕	
;	716	Fuel for Power Production	190	9	3.20	*	1923
	718	Chemicals	390	€	100	*	560
à	720	Materials and Supplies	(*)	9	3€3		380
	720.1	Repairs and Maintenance	8 ,4 8	8	3+3	8	£€5
	720.2	Office Supplies and Expense	HEED	(8	3#F	**	(4 0
	721	Office Expense	60	125	60		60
ij.	731	Contractual Services -Engineering	578	33	5583		578
18	732	Contractual Services - Accounting	13#34	8	10 to	8	559.
	733	Contractual Services - Legal	509	15	509	75	509
	734	Contractual Services - Management Fees	9 8 9	7 1	(6)		583
	735	Contractual Services - Testing	858	18	(5.5)	85	878
26	736	Contractual Services - Other	550	13	358	2	550
	740	Rents - Building	(C)	題	135		820
	742	Rents - Equipment	656	15	859	55	(PEC)
	750	Transportation Expenses	059	1.5	257.0	(5)	070
	756	Insurance - Vehicle	(F)	£5	9.70	T.	(3%)
	757	Insurance - General Liability		· ·		5	- 20
	758	Insurance - Worker's Compensation		9		3	
겙	759	Insurance - Other	•	9			
	760	Advertising Expense		ğ	•	8	
ij.	766	Regulatory Commission Expense - Rate Case	156	12	727	2	126
133	767	Regulatory Commission Expense - Other	U499	12	7027	2	U2N
	770	Bad Debt Expense	555	12	528	2	5 <u>6</u> 5
Į.	775	Miscellaneous Expense	1,281	12	1,281	9	1,281
Ü.	403	Depreciation Expense	550	12	928	2	920
	408	Taxes Other Than Income	(52))	12	980		(54))
2		Property Taxes	3,366	12	3,366		3,366
23		Payroll Taxes	-	12	-	~	4
3		Other Taxes and Licenses	1	Si Si		*	140
5	409	Income Taxes	(88)	38	(88)	*	(88
3	l otal O	perating Expenses	5,128	强	5,128	*	5,128
7	Operation	na Incomo //L ana)	(5,128)	12	(5,128)	92	(5,128
9	Operati	ng Income / (Loss)	(5,126)		(3,120)		(5,120
0	Other In	come / (Expense)					
	414	Gain/Loss on Dispositions	£ + 5	8	(*•)	*	<u>1</u> (₩1)
	419	Interest and Dividend Income	H#E		8#8	*	1680
8	421	Non-Utility Income	(4 01		(*)		1901
33	426	Miscellaneous Non-Utility (Expense)	199		0.±0		1000
	427	Interest (Expense)	19#32	H	1871	*	19#32
		her Income / (Expense)	670		3.5	5	582
9	Not be	sma (() aaa)	/E 400		/F 400		/E 400
3	Net Inco	ome / (Loss)	(5,128)	15	(5,128)		(5,128

Baiterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Adjusted Test Year Income Statement

o No.	Actual Test Year	B Adjustment 1 Bad Debt C.2.1	2	D Adjustment 3 Income Tax C.2.3	E Adjustment 4 BLANK C.2.4	F Adjustment 5 Depreciation G.2.5	6	H Adjustment 7 Bonus Exclusi C.2.7	8	J Adjustment 9 Half Yr Conv C 2 9	Adjustment 10 C.2.10	Adjustment 11 C.2.11	M Adjustment 12 C.2.12	N Adjustment 13 C.2.13	0 Adjustment 14 C.2.14	P Adjustment 15 C.2.15	Adjusted Test Year As Filed	R Adjustment 16 Bad Debt C.2.1	S Adjustment 17 Property Tax C.2.2	T Adjustment 18 Income Tax C.2.3	U Adjustment 19 Revenue Increas A-1	V Adjustment 20 a Income Tax	Adjusted With Rate increase
1 Operating Revenue 2 521 File Rate Revenues 3 522 Measured Revenues 4 534 Rents from Wastewater Property 536 Other Wastewater Revenues 5																	*						MAN MATTER
8 Total Revenues	- 12	.59	100	1965	1%	- 20	393	28	45		100	198	1%	92	190	[2]	12	547	(3)	\$1.	.9	(A)	- 5
10 Operating Expenses 12 704 Employee Persions and Benefits 12 704 Serioused Wastewater Treatment 14 711 Sludge Removal Expense 15 715 Purbased Wastewater Treatment 15 715 Purbased Power 16 716 Fuel for Power Production 17 718 Chemicals 16 720 Materials and Supples 17 720. Repairs and Marintanco 17 720. Repairs and Marintanco 17 720. Powers and Marintanco 17 720. To Repairs and Marintanco 18 720. To Repairs and Marintanco 19 720. To Repairs and Linease 19 720. To Re	509 509 1,281 3,366 (88)																609 509 1,281 3,366						609 5099 1,281
46 Total Operating Expenses	5,128	75	120	1/28	- 12	20	igni	0-2	200	7.5	140	0.28	12	- 2	29Ni	0-7	5,128	100	1.2	ATT.	22/	2	5,12
48 Operating Income / (Loss)	(5,128)	- 9		(42	- 3	- 70	5.65	g,	7.	- 59		(8)	- 15	71	1,65	9.	(5,128)	160	16.	*		- 3:	(5,12)
19	Sylvasins																(a) (b)						CHARLES
56 Total Other Income / (Expense)	(6			-20	- 15		(147)		- 10			-20	- 10		1967	- 3	470	1247	15.	- 5	- 3"		- 24
58 Net Income / (Loss)	(5,128)	- 59	91	736	- 2	- 51	24)7	9	23	- 22	91	736	- 22	53	24)7	20	(5.128)	33.5	(R)	96	- 1	19	(5.128

Test Year Ended December 31, 2019 Adjusted Test Year Income Statement Schedule C-3 Page 1 of 2

Line		Percentage of Incremental Gross
<u>No.</u>	Description	<u>Revenues</u>
1	Combined Federal and State Effective Income Tax Rate	4.9000%
2	Uncollectible Revenue Effective Rate	0.0000%
3	Property Taxes Effective Rate	0.0000%
4	Total Tax Percentage	4.9000%
5		
6	Operating Income % = 100% - Tax Percentage	95.1000%
7		
8		
9 10		
11	1 = Gross Revenue Conversion Factor	
12	Operating Income %	1.051525
13	operating moonie 70	1.031323
14		
15		
16		
17		
18		
19		
20		
21		
22	CURRORTING COUERUI SO	DECAR COLIEBUILES
23 24	SUPPORTING SCHEDULES: C-3, page 2	RECAP SCHEDULES: A-1

Schedule C-3 Page 2 of 2

GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)		(C)		D)	[E]		[F]
140.	Calculation of Gross Revenue Conversion Factor:									
1	Revenue	100.00	000%							
2	Uncollectible Factor (Line 11) Revenues (L1 - L2)	100.00	000%							
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	4.90	000%							
6	Subtotal (L3 - L4) Revenue Conversion Factor (L1 / L5)	95.10	1525							
	Calculation of Uncollectible Factor:									
7	Unity	100.00								
8	Combined Federal and State Tax Rate (L17) One Minus Combined Income Tax Rate (L7 - L8)	95.10	000%							
10	Uncollectible Rate Uncollectible Factor (L9 * L10)	0.00	000%	000%						
1050				200711						
12	Calculation of Effective Tax Rate: Operating Income Before Taxes (Arizona Taxable Income)	100.00	000%							
13	Arizona State Income Tax Rate Federal Taxable Income (L12 - L13)	4.90	000%							
15	Applicable Federal Income Tax Rate (L55 Col F)	0.00	000%							
16	Effective Federal Income Tax Rate (L14 x L15) Combined Federal and State Income Tax Rate (L13 +L16)	0.00	4.90	000%						
	Calculation of Effective Property Tax Factor		E	-8						
18	Unity	100.00	000%							
19 20	Combined Federal and State Income Tax Rate (L17) One Minus Combined Income Tax Rate (L18-L19)	95.10	000%							
21 22	Property Tax Factor Effective Property Tax Factor (L20*L21)		000%	000%						
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)		0:00	700%	4.9000%					
24	Required Operating Income	S	_							
25	Adjusted Test Year Operating Income (Loss)		.128)							
26	Required Increase in Operating Income (L24 - L25)		\$ 5	,128						
27	Income Taxes on Recommended Revenue (Col. (F), L52)		131)							
28 29	Income Taxes on Test Year Revenue (Col. (C), L52) Required Increase in Revenue to Provide for Income Taxes (L27 - L28)	3 (14	, <u>131)</u> \$	-						
30	Recommended Revenue Requirement	S	.Si							
31 32	Uncollectible Rate (Line 10)	0.00	000%							
33	Uncollectible Expense on Recommended Revenue (L24 * L25) Adjusted Test Year Uncollectible Expense	Š	<u> </u>							
34	Required Increase in Revenue to Provide for Uncollectible Exp.		\$							
35 36	Property Tax with Recommended Revenue Property Tax on Test Year Revenue	S								
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)	-	s	(4.)						
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 5	,128						
		(A)	(B)		(C)	. 3	D)	[E]		[F]
		Total	Test Year	110		Total	Company R	ecommended		0.00
39	Calculation of Income Tax:	S		S	Water	\$			S	Vater:
40	Operating Expenses Excluding Income Taxes	5	216	*	5,216	9	5,216		3	5,216
41	Synchronized Interest (L47) Arizona Taxable Income (L39 - L40 - L41)		,600 ,816)	s	51,600 (56,816)	\$	51,600 (56,816)		\$	51,600 (56,816)
43	Arizona State Effective Income Tax Rate	4.90	000%	- 0	4.9000%	63-7	4.9000%		NS 1	4.9000%
44 45	Arizona Income Tax (L42 x L43) Federal Taxable Income (L42- L44)		(784) (032)	S	(2,784)	\$	(2,784)		S	(2,784)
46 47	Federal Tax Rate Federal Income Taxes	\$ 21.00 \$ (11	347)	s	21.00%	\$	21.00% (11,347)		S	21.00% (11,347)
48	rederal income Taxes	3	347)	3	(11,347)	Þ	(11,347)	8	3	(11,347)
49 50										
51										
52 53	Total Federal Income Tax	S (11	.347)	s	(11,347)	\$	(11,347)	4	\$	(11,347)
54	Combined Federal and State Income Tax (L35 + L42)	S (14	131)	\$	(14,131)	\$	(14,131)		S	(14,131)
55 56	COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53 / [Col. [D], L45 - Col. [A], L45]					0.0000%			
	WATER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [C], L53] / [Col.	[F], L45 - Col. [C], L45]								0.0000%
	K I YW SI I SI S		9	y 10000111						
58	Calculation of Interest Synchronization: Rate Base			Wate \$	1,075,007					
59 60	Weighted Average Cost of Debt Synchronized Interest (L59 X L60)			S	4.80% 51.600					

Test Year Ended December 31, 2019 Summary Cost of Capital

End of Test Year - Actual Dollar Line Rate of Weighted Percent No. of Total Return Description Amount Return 1 2 Short-Term Debt \$ 0.00% 0.00% 0.00% 3 0.00% 4 Long-Term Debt 0.00% 0.00% 5 6 **Common Equity** 3,884,840 100.00% -0.13% -0.13% 7 8 Totals 3,884,840 100.00% -0.13% 9 10 11 End of Test Year - Proposed End of Projected Year - Proposed Rates 12 Dollar Rate of Weighted Dollar Percent Rate of Weighted Percent 13 of Total of Total Amount Return Cost Amount Return Cost 14 15 Short-Term Debt \$ 0.00% 0.00% \$ 0.00% 0.00% 0.00% 0.00% 16 17 Long-Term Debt 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 18 19 **Common Equity** 3,884,840 100.00% 0.00% 0.00% 0.00% 3,884,840 100.00% 0.00% 20 21 **Totals** 3,884,840 100.00% 0.00% 3,884,840 100.00% 0.00%

Schedule D-2

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Cost of Debt

Line					
No.	_				
1		End of Test Ye	ear - Actual		
2		Amount	Interest	_	
3		Outstanding	Rate		
4	Long-Term Debt	-	NA	_	
5					
6	Short-Term Debt		NA		
7				_	
8					
9					
10					
11		End of Test Yea	r - Proposed	End of Projected Yea	r - Proposed Rates
12		Amount	Interest	Amount	Interest
13		Outstanding (*)	Rate	Outstanding	Rate
14	Long-Term Debt	-	NA		NA
15					
16	Short-Term Debt	-	NA	-	NA
17				_	

Schedule D-3

Test Year Ended December 31, 2019 Cost of Preferred Stock

12

Line	
No.	
1	Schedule D-3 is not applicable as there is no preferred stock issued or
2	outstanding in any of the utilities involved in this rate case.
3	
4	
5	
6	
7	
8	
9	
10	
11	

Test Year Ended December 31, 2019

Comparative Balance Sheets

Test Year Prior Year Prior Year Line Ended Ended Ended No. 12/31/2019 12/31/2018 12/31/2017 1 Assets 2 3 Account No. Current and Accrued Assets 4 131 Cash 5 132 Special Deposits 6 133 Other Special Deposits Working Funds 7 134 8 135 Temporary Cash Investments 9 141 Customer Accounts Receivable 10 142 Other Accounts Receivable 143 Accumulated Provision for Uncollectable Accounts 11 12 146 Notes Receivable from Associated Companies 13 151 Plant Material and Supplies 14 162 Prepayments 1,031 15 Accrued Utility Revenue 173 16 174 Miscellaneous Current and Accrued Assets 1,031 17 **Total Current Assets** 18 19 **Fixed Assets** 20 101 Utility Plant in Service* 278,280 278,280 278,280 21 Construction Work in Progress 2,773,500 105 2.812.901 2,773,500 22 108 Accumulated Depreciation 23 Non-Utility Property 121 24 Accumulated Depreciation - Non Utility 122 25 3,091,181 3,051,781 3,051,781 Total Fixed Assets 26 27 Other Fixed Assets 114 Utility Plant Acquisition Adjustment 28 29 Total Other Fixed Assets 30 31 **Deferred Debits** 190 Accumulated Deferred Income Taxes 796,727 796,742 795,266 32 33 **Total Deferred Debits** 796,742 796,727 795,266 34 35 **Total Assets** 3,887,908 3,848,522 3,848,078 36 37 Liabilities and Stockholders' Equity 38 Accounts Payable 39 231 3,068 500 40 Notes Payable (Current Portion) 232 41 234 Notes Payable to Associated Companies 42 235 **Customer Deposits** 43 236 Accrued Taxes (5) 44 237 Accrued Interest 45 Miscellaneous Current and Accrued Liabilities 241 46 253 Other Deferred Credits 47 Total Current Liabilities 3,068 500 (5) 48 49 252 Advances in Aid of Construction 50 253 Other Deferred Credits 51 255 Accumulated Deferred Investment Tax Credits 52 Contributions in Aid of Construction 271 53 Less: Amortization of Contributions 272 54 281 Accumulated Deferred Income Tax 55 **Total Deferred Credits** 56 Total Liabilities and Deferred Credits 500 57 3,068 (5)58 201 Common Stock Issued 100 100 59 100 60 211 Other Paid-In Capital 4,339,191 4,297,906 4,289,852 61 215 Unappropriated Retained Earnings (442,374)(454,450)(449, 322)218 Proprietary Capital (Sole Props and Partnerships) 62 63 3,884,840 3,848,684 3,847,577 Total Members' Equity 64 Total Liabilities and Stockholders' Equity 3,887,908 65 3,848,679 3,848,077

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Comparative Income Statements

		Test Year Ended	Test Year Ended	Test Year Ended
о.		12/31/2019	12/31/2018	12/31/2017
Operati	ng Revenue			
521	Flat Rate Revenues	馬	550	3 2 5
522	Measured Revenues	15	523	950
534	Rents from Wastewater Property	#	(4)((=)
536	Other Wastewater Revenues		SER.	10.0
Total Re	evenues	5	(#)(9802
Operati	ng Expenses			
701	Salaries and Wages	*	(#2)	35 0
704	Employee Pensions and Benefits	2		100 A
710	Purchased Wastewater Treatment	120	9 2 8	140
711	Sludge Removal Expense	æ	5 ,4 05	t e n
715	Purchased Power	57	3 5 €	970
716	Fuel for Power Production	9	520	140
718	Chemicals) =	; (€)	961
720	Materials and Supplies	ii.	958	1720
720.1	Repairs and Maintenance	皆	523	227
720.2	Office Supplies and Expense	H	380	(10)
721	Office Expense	60	7	7
731	Contractual Services -Engineering	<u>u</u>	**	197
732	Contractual Services - Accounting	<u>~</u>	(147)	(-)
733	Contractual Services - Legal	509	89	76
734	Contractual Services - Management Fees	21 3	(4)	197
735	Contractual Services - Testing	2	(m))	3433
736	Contractual Services - Other	#	(• €)	350
740	Rents - Building	8	规	
	Intentionally Left Blank	120	9 2 8	9 = 9
742	Rents - Equipment	#	9#8	1.53
750	Transportation Expenses	57	清明(350
756	Insurance - Vehicle	12	12 0	320
757	Insurance - General Liability	-	i + 0	3 € 3
758	Insurance - Worker's Compensation		550	150
759	Insurance - Other	₩	199	920
760	Advertising Expense	¥	3#1	(=)
766	Regulatory Commission Expense - Rate Case	×	S=0	38.0
767	Regulatory Commission Expense - Other	<u>u</u>	- 1	197
770	Bad Debt Expense	·	(147)	340
775	Miscellaneous Expense	1,281	5,248	2,482
403	Depreciation Expense			
408	Taxes Other Than Income	2	(48)	(49)
	Property Taxes	3,366	3,081	2,999
	Payroll Taxes			
	Other Taxes and Licenses	5 <u>14</u>	8 4 8	541
409	Income Taxes	(88)	(1,477)	
Total O	perating Expenses	5,128	6,948	402,626
		7= 7 = 2		(100.000)
Operati	ng Income / (Loss)	(5,128)	(6,948)	(402,626)
Other In	come / (Expense)			
414	Gain/Loss on Dispositions	H	360	(1)
419	Interest and Dividend Income		(-):	389
421	Non-Utility Income	<u>a</u>	143	347
426	Miscellaneous Non-Utility (Expense)		3.435)=\(\frac{1}{2}\)
427	Interest (Expense)		(#A)	₩ 1
	ther Income / (Expense)	27 28	3	₩)
Not Inc.	ome / (Loss)	(5,128)	(6,948)	(402,626)
MET ILIC	niie ((LU33)	(3,128)	(0,948)	(402,020)

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Comparative Statement of Changes in Financial Position

Line No.		Test Year Ended 12/31/2019	9	Prior Year Ended 12/31/2018		Prior Year Ended 12/31/2017	
1	Operating Activities	100000000000000000000000000000000000000					
2	Net income (loss)	\$ (5,1)	28) \$	(6,948)	\$	(402,626)	
3	Adjustment to reconcile net income (loss)	-36 (446)00	212 (MIN)	10.500 F25-29-7501		1356-134-244-13-245t	
4	Deferred compensation		5	≦		8	
5	Depreciation		×	*		-	
6	Amortization		ā	ž.		1	
7	Amortization of deferred debt issuance costs and discounts		*	*		-	
8	Write-off of debt issuance costs		×			=	
9	Gain on sale of 303 contracts			□		2	
10	(Gain) Loss on Equity Investment		8	8		8	
11	Other gains and losses		2	8		9	
12	(Gain) Loss on disposal of fixed assets		9	æ		9	
13	Loss on Sale of Willow Valley			5		5	
14	Provision for doubtful accounts receivable		¥	2		2	
15	Deferred income tax (benefit) expense		*	*		(712)	
16	Accounts receivables		<u>2</u>			5	
17	Other Receivables		16	(1,476)		397,060	
18	Accrued revenue		ā	=		5	
19	Infrastructure coordination and financing fee receivable		2	₩		2	
20	Income taxes receivable		*	=		5	
21	Other current assets	41,4	40	8,930		5,777	
22	Accounts payable and other current liabilities	3,0	73	(505)		500	
23	Other noncurrent assets		50	A		Ps.	
24	Other noncurrent liabilities		2	2		2	
25	Deferred revenue and prepaid ICFA fees		8			F.	
26 27	Net cash (used) provided by operating activities	39,4	01	1		(1)	
28	Investing Activities						
29	Capital expenditures	(39,4	01)	-		_	
30	Proceeds from the sale of Willow Valley	(00,1	0.17			5	
31	Proceeds from sale of fixed and intangible assets		2	-		_	
32	(Deposits) withdrawals of restricted cash		-	_		_	
33	Deposits		2	F4		95 El	
34	Advance in aid of construction release		_	-		_	
35	Net cash used in investing activities	(39,4	01)	2		2	
36	Section of the Control of the Contro						
37	Financing Activities						
38	Proceeds from bond			=		ř.	
39	Deposits in bond service fund		2	8		2	
40	Proceeds withdrawn from bond service fund		H	E		-	
41	Repayments of bond debt		50	R		E.	
42	(Deposit into)/ redemption from escrow for debt service		2	2		2	
43	Loan borrowings		8	5		5	
44	Loan repayments		2	2		2	
45	Principal payments under capital lease		8	Ξ.		*	
46	Payment of Sonoran acquisition liability		5	25		2	
47	Acquisition of utilities, deferred acquisition payments		2	2		20	
48	Financing costs paid		5			8	
49	Debt issuance costs paid		5	8		<u>.</u>	
50	Advances in aid of construction		*	*		=	
51	Dividends Paid		ā	â		-	
52	Proceeds from sale of stock		ä	*		¥	
53	Contributions in aid of construction under ICFA agreements		₩.	×		7	
54	Payments of offering costs for sale of stock		5	15		3	
55	Refunds of advances for construction		×	×		*	
56	Net cash (used) provided by financing activities		į.			. 2	
57	Net change in cash		0	1		(1)	
58			<u> </u>				
59			Reca	ap Schedule			

Schedule E-4

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Statement of Changes in Stockholders' Equity

Line		Common Stock			9	Additional		Retained		
No.		Shares	Amount		Pa	id-In-Capital		Earnings		Total
1						639		8748		
2 3 4	Balance - December 31, 2016	æ	\$	100	\$	4,288,634	\$	(442,374)		
3										
4	Net Income							(402,626)		
5										
6 7	Dividends Paid							Œ.		<u> </u>
7										
8 9	Other/Reclass*					1,218		394,228		395,446
9										
10	Balance - December 31, 2017		\$	100	\$	4,289,852	\$	(450,772)	\$	3,839,179
11 12										
12	Net Income							(6,948)		
13										
14 15	Dividends Paid							22		349
15										
16	Other/Reclass*					8,054		8,398		
17			¥		1.				¥	
18	Balance - December 31, 2018	5.	\$	100	\$	4,297,906	\$	(449, 322)	\$	3,848,683
19	VIND THE A PRINCIPLE WILLS							770a (1700/00)		
20	Net Income							(5,128)		
21	PANTENCE REPLANT									
22	Dividends Paid							H		100
23 24	78W 78 1 2					44.00=				
24	Other/Reclass*					41,285				41,285
25	B B 1 04 0040			400	•	1 000 101	•	(454.450)		0.004.044
26	Balance - December 31, 2019	12	\$	100	\$	4,339,191	\$	(454,450)	\$	3,884,841
27	check			100		4,339,191		(454,450)		3,884,840
28	34. 3									
29	*Intercompany									

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Detail Plant in Service

1 Utility Plant in Service	End of Test Year 12/31/2019	Net dditions		End of Prior Year 2/31/2018				Line No.
3 352 Franchises 278,280 - 4 353 Land and Land Rights 278,280 - 5 354 Structures and Improvements - - 6 355 Power Generation Equipment - - 7 360 Collections Wastewater - Force - - 8 361 Collections Wastewater - Force - - 9 362 Special Collecting Structures - - 10 363 Services to Customers - - 11 364 Flow Measuring Installations - - 12 365 Flow Measuring Installations - - 13 366 Reuse Services - - 14 367 Reuse Mearts & Meter Installations - - 15 370 Recise Trans, And Distr. Equipment - - 16 371 Pumping Equipment - - 18 382 Dutfa						Utility Plant in Service		1
1	\$ -	Œ.	\$	7/40	S	1 TO		
5 354 Structures and Improvements - - 6 355 Power Generation Equipment - - 7 360 Collections Wastewater - Gravity - - 9 362 Special Collecting Structures - - 10 363 Services to Customers - - 11 364 Flow Measuring Devices - - 13 365 Flow Measuring Installations - - 13 366 Reuse Services - - 14 367 Reuse Meters & Meter Installations - - 15 370 Receiving Wells - - 16 371 Pumping Equipment - - 17 374 Reuse Distribution Reservoirs - - 18 375 Reuse Distribution Reservoirs - - 19 380 Treatment and Disposal Equipment - - 20 381 Plant S	<i>⊙</i>	85		76				
66 355 Power Generation Equipment - - 7 360 Collections Wastewater - Force - - 8 361 Collections Wastewater - Gravity - - 9 362 Special Collecting Structures - - 10 363 Services to Customers - - 11 364 Flow Measuring Installations - - 13 366 Reuse Services - - 14 367 Reuse Meters & Meter Installations - - 15 370 Receiving Wells - - 16 371 Pumping Equipment - - 16 371 Reuse Distribution Reservoirs - - 18 375 Reuse Distribution Reservoirs - - 18 375 Reuse Distribution Reservoirs - - 18 375 Reuse Distribution Reservoirs - - 20 381 <td< td=""><td>278,280</td><td></td><td></td><td>278,280</td><td></td><td>Carlotte and the second transfer that the second transfer the second transfer to the second transfer transfer to the second transfer transfe</td><td></td><td></td></td<>	278,280			278,280		Carlotte and the second transfer that the second transfer the second transfer to the second transfer transfer to the second transfer transfe		
7 360 Collections Wastewater - Force - - 8 361 Collections Wastewater - Gravity - - 9 362 Special Collecting Structures - - 10 363 Services to Customers - - 11 364 Flow Measuring Devices - - 13 366 Flow Measuring Installations - - 13 366 Reuse Services - - 14 367 Reuse Meters & Meter Installations - - 15 370 Receiving Wells - - 16 371 Pumping Equipment - - 17 374 Reuse Distribution Reservoirs - - 18 375 Reuse Tinss, And Distr. Equipment - - 19 380 Treatment and Disposal Equipment - - 20 381 Plant Sewers - - 21 382 Outfall Sewer	74	22		草				
8 361 Collections Wastewater - Gravity - - - 9 362 Special Collecting Structures - - 10 363 Services to Customers - - 11 364 Flow Measuring Installations - - 12 365 Flow Measuring Installations - - 14 367 Reuse Services - - 14 367 Reuse Meters & Meter Installations - - 15 370 Receiving Wells - - 16 371 Pumping Equipment - - 17 374 Reuse Distribution Reservoirs - - 18 375 Reuse Trans. And Distr. Equipment - - 19 380 Treatment and Disposal Equipment - - 21 382 Outfall Sewer Lines - - 21 382 Outfall Sewer Lines - - 23 390	9			#				
9 362 Special Collecting Structures - - 10 363 Services to Customers - - 12 364 Flow Measuring Devices - - 12 365 Flow Measuring Installations - - 13 366 Reuse Services - - 15 370 Receiving Wells - - 16 371 Pumping Equipment - - 17 374 Reuse Distribution Reservoirs - - 18 375 Reuse Trans. And Disr. Equipment - - 19 380 Treatment and Disposal Equipment - - 20 381 Plant Sewers - - 21 382 Outfall Sewer Lines - - 22 389 Other Plant and Misc. Equipment - - 23 390 Office Furniture and Equipment - - 26 392 Stores Equipment)7	5		<u> 5</u>				
10	32	2		46				
1	:	*		Ð				
1	100 miles	ā		3		- And Street and American and Company of the Compan		
1	82	법		新				
14 367 Reuse Meters & Meter Installations - - -		*		€				
15 370 Receiving Wells - - -	27	15.		#6 57				
16 371 Pumping Equipment - - 17 374 Reuse Distribution Reservoirs - - 18 375 Reuse Trans. And Distr. Equipment - - 19 380 Treatment and Disposal Equipment - - 20 381 Plant Sewers - - 21 382 Outfall Sewer Lines - - 22 389 Other Plant and Misc. Equipment - - 23 390 Office Furniture and Equipment - - 23 390 Office Furniture and Equipment - - 24 390.1 Computer & Software - - 25 391 Transportation Equipment - - 26 392 Stores Equipment - - 28 394 Laboratory Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipme	(<u>E</u>	2		20		Reuse Meters & Meter Installations	367	
17 374 Reuse Distribution Reservoirs - - 18 375 Reuse Trans. And Distr. Equipment - - 19 380 Treatment and Disposal Equipment - - 20 381 Plant Sewers - - 21 382 Outfall Sewer Lines - - 22 389 Other Plant and Misc. Equipment - - 23 390 Office Furniture and Equipment - - 24 390.1 Computer & Software - - 25 391 Transportation Equipment - - 26 392 Stores Equipment - - 27 393 Tools, Shop and Garage Equipment - - 29 395 Power Operated Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 32 398 Other Tan	-	9		₩		[[:[:::::::::::::::::::::::::::::::::		
18 375 Reuse Trans. And Distr. Equipment - - 19 380 Treatment and Disposal Equipment - - 20 381 Plant Sewers - - 21 382 Outfall Sewer Lines - - 21 389 Other Plant and Misc. Equipment - - 23 390 Office Furniture and Equipment - - 24 390.1 Computer & Software - - 25 391 Transportation Equipment - - 26 392 Stores Equipment - - 27 393 Tools, Shop and Garage Equipment - - 28 394 Laboratory Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 33 Total Utility Plant in Service \$ 278,280 \$ - \$ 36	-	*		5		23/1 (TD) - 20 (2)		
19 380 Treatment and Disposal Equipment - - 20 381 Plant Sewers - - 21 382 Outfall Sewer Lines - - 22 389 Other Plant and Misc. Equipment - - 23 390 Office Furniture and Equipment - - 24 390.1 Computer & Software - - 25 391 Transportation Equipment - - 26 392 Stores Equipment - - 27 393 Tools, Shop and Garage Equipment - - 28 394 Laboratory Equipment - - 29 395 Power Operated Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 33 Total Utility Plant in Service \$ 278,280 \$ - \$ 34 Total Utility Plant in Service \$ 2773,500 39,401 39 Total Plant 3,051,781<	12	<u> </u>		#				
20 381 Plant Sewers - - 21 382 Outfall Sewer Lines - - 22 389 Other Plant and Misc. Equipment - - 23 390 Office Furniture and Equipment - - 24 390.1 Computer & Software - - 25 391 Transportation Equipment - - 26 392 Stores Equipment - - 27 393 Tools, Shop and Garage Equipment - - 28 394 Laboratory Equipment - - 29 395 Power Operated Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 33 Total Utility Plant in Service \$ 278,280 \$ - \$ 36 Total Utility Plant in Service \$ 278,280 \$ - \$ 37 Total Plant 3,051,781 39,401	32	€		₽				
21 382 Outfall Sewer Lines - - -	67	8		75		Treatment and Disposal Equipment	380	
22 389 Other Plant and Misc. Equipment - - 23 390 Office Furniture and Equipment - - 24 390.1 Computer & Software - - 25 391 Transportation Equipment - - 26 392 Stores Equipment - - 27 393 Tools, Shop and Garage Equipment - - 28 394 Laboratory Equipment - - 29 395 Power Operated Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 32 398 Other Tangible Plant - - 33 Total Utility Plant in Service \$ 278,280 \$ - \$ 36 Total Utility Plant in Service \$ 2,773,500 39,401 39 Total Plant 3,051,781 39,401	3	ä		<u> </u>		Plant Sewers	381	
23 390 Office Furniture and Equipment - - -	100 m	×		#			200	
24 390.1 Computer & Software - - 25 391 Transportation Equipment - - 26 392 Stores Equipment - - 27 393 Tools, Shop and Garage Equipment - - 28 394 Laboratory Equipment - - 29 395 Power Operated Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 32 398 Other Tangible Plant - - 33 - - - 34 - - - 34 - - - 35 - - - 36 Total Utility Plant in Service \$ 278,280 \$ - \$ - 37 - - - 38 107 Construction Work in Progress 2,773,500 39,401 40 Total Plant 3,051,781 39,401	·	*		#				
25 391 Transportation Equipment - - -	37	5		75		Office Furniture and Equipment	390	23
26 392 Stores Equipment - - -	32	2		49				
27 393 Tools, Shop and Garage Equipment - - - 28 394 Laboratory Equipment - - 29 395 Power Operated Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 32 398 Other Tangible Plant - - 33 34 35 36 Total Utility Plant in Service \$ 278,280	æ	*		10				25
28 394 Laboratory Equipment - - 29 395 Power Operated Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 32 398 Other Tangible Plant - - 33 - - - - 34 - - - - - 35 -	1.00 1.00 1.00	ā		B				26
29 395 Power Operated Equipment - - 30 396 Communication Equipment - - 31 397 Miscellaneous Equipment - - 32 398 Other Tangible Plant - - 33 34 35 Total Utility Plant in Service \$ 278,280 \$ - \$ 36 Total Utility Plant in Service \$ 2,773,500 39,401 39 Total Plant 3,051,781 39,401	82	발						27
396 Communication Equipment	*	*		€				28
31 397 Miscellaneous Equipment	27	=		#1 5 m				29
32	<u> (<u>-</u></u>	2		21				30
33	÷	2		#		Miscellaneous Equipment	397	31
34 35 36 Total Utility Plant in Service 37 38 107 Construction Work in Progress 39 40 Total Plant 39,401	17	*		#		Other Tangible Plant	398	32
35 36 Total Utility Plant in Service \$ 278,280 \$ - \$ \$ \$ \$ \$ \$ \$ \$ \$								33
36 Total Utility Plant in Service \$ 278,280 \$ - \$ 37 - \$ 38 107 Construction Work in Progress 2,773,500 39,401 39 - 30,51,781 39,401								34
37 38 107 Construction Work in Progress 2,773,500 39,401 39 40 Total Plant 3,051,781 39,401	-,							35
38 107 Construction Work in Progress 2,773,500 39,401 39 40 Total Plant 3,051,781 39,401	\$ 278,280	i i	\$	278,280	S	Total Utility Plant in Service		36
39 40 Total Plant 3,051,781 39,401					60			37
40 Total Plant 3,051,781 39,401	2,812,901	39,401		2,773,500		7 Construction Work in Progress	107	
41	3,091,181	39,401		3,051,781		Total Plant		40
42 Total Accum. Depreciation -	*	*		181		Total Accum. Depreciation		
43 44 Total Net Plant \$ 3,051,781 \$ 39,401 \$	\$ 3,091,181	20 401	•	2 051 701	e ·	State State Cont		

Test Year Ended December 31, 2019

Comparative Departmental Statements of Operating Income

Line No.			est Year Ended /31/2019		ior Year Ended /31/2018	Prior Year Ended 12/31/2017		
1	Operating Revenues							
2	Residential	\$; (=)	\$	e	\$	ä	
3	Commercial		(-)		25		<u> </u>	
4		4620		5000		1527		
5	Total Water Sales	\$	1323	\$	티	\$	<u> </u>	
6	COSMINS 1 GG							
7	Miscellaneous	_	(14)		21		<u> </u>	
8	200 H MAZE 1070 1224	6:400		56455		798		
9	Total Operating Revenues	\$	1000	\$	-	\$	*	
10								
11	OPERATING EXPENSES:							
12			4.050		E 244		2 5 5 5	
13	Operating Expenses (less tax and depreciation)	\$	1,850	\$	5,344	\$	2,565	
14 15		\$		\$		\$		
16	Depreciation	\$	(2月)	Ş	정	Þ	Ā	
17	TAXES							
18	Income Taxes	\$	(88)	\$	(1,477)	\$	397,062	
19	Property taxes	Ş	3,366	Ą	3,081	ş	2,999	
20	Other Taxes and Licenses		3,300		5,081		2,333	
21	Other raxes and electises						E.	
22		-						
23	TOTAL TAXES	\$	3,278	\$	1,604	\$	400,061	
24	70 11 12 11 11 12 13	T	3,2.0	*	4,00.	7	100,001	
25	Total Operating Expenses	\$	5,128	\$	6,948	\$	402,626	
26	1 3 5 5 5 6 5 6 5 6 5 6 5 6 5 6 5 6 5 6 5			25%		972	1576	
27	Operating Income/(Loss)	\$	(5,128)	\$	(6,948)	\$	(402,626)	
28	the control of the co	600		7572	Was Established	250	ALPASTIN	
29						Rec	ap Schedule	
30							E-2	

Schedule E-7

Test Year Ended December 31, 2019 Operating Statistics

Line	Wasternates Obstation	Test Year Ended	Prior Year Ended	Prior Year Ended
No.	Wastewater Statistics	12/31/2019	12/31/2018	12/31/2017
2	Total Gallons Treated (in thousands)	= 0	i#3	=
3 4 5	Wastewater Revenues from Customers	2 0	628	2
5				
6	Year End Number of Customers	:=\/	2004	π.
7				
8	Annual Gallons (in Thousands)			
7 8 9	Treated Per Year End Customer	0.00	0.00	0.00
10				
11	Annual Revenue Per Year End Customer	3 0	100 mm. 100 mm.	₽
12				
13	Pumping Costs per Year End Customer	₩)	± ,, ,	€
14				
15	Pumping Cos per 1,000 Gallons	売り	2 <u>44</u> 2	S
16				
17				

Test Year Ended December 31, 2019

Taxes Charged to Operations

19

20

Line No.		E	Test Year Ended 12/31/2019			Prior Year Ended 12/31/2017	
1							
2	Federal Taxes						
3	Income	\$	(88)	\$	(1,477)	\$	397,062
4	FICA (Employer's) *		ss: e: ##3		185 %G 186 (1 14)		
5	Unemployment *		5		(-)		3
6	Total Federal Taxes	» .	(88)		(1,477)		397,062
7							
8							
9	State Taxes						
10	Income		£ <u>∆</u> ().		1986		置
11	Property		3,366		3,086		2,999
12	Other		90 (#5)		%i (/ = //		-
13	Unemployment *		9		(-		3
14	Total State Taxes		3,366		3,086		2,999
15							
16							
17	Total Taxes to Operations		3,278		1,609		400,061
18							

^{*} FICA and Unemployment are included with Salaries and Wages on C-1, E-2 and E-6.

Test Year Ended December 31, 2019 Notes to Financial Statements Schedule E-9 Page 1 of 4

Line No.

Following are the significant accounting policies for Global Water. Please note that some of these accounting policies may only be applicable to the parent company, GWRI.

Basis of Presentation and Principles of Consolidation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company prepares its financial statements in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates

The Company qualifies as an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), under the rules and regulations of the SEC. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. The Company has elected to take advantage of these provisions for up to five years or such earlier time that the Company is no longer an emerging growth company. The Company has elected to take advantage of some of the reduced disclosure obligations regarding financial statements. Also, as an emerging growth company, the Company can elect to delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has chosen to take advantage of this extended accounting transition provision.

Significant Accounting Policies

Regulation

Our regulated utilities and certain other balances are subject to regulation by the ACC and are therefore subject to Accounting Standards Codification Topic 980, Regulated Operations ("ASC 980").

Property, plant, and equipment

Property, plant, and equipment is stated at cost less accumulated depreciation provided on a straight-line. Depreciation rates for asset classes of utility property, plant, and equipment are established by the ACC. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant, and equipment. When units of utility property are replaced, renewed, or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

For non-utility property, plant, and equipment, depreciation is calculated by the straight-line method over the estimated useful lives of depreciable assets. Cost and accumulated depreciation for non-utility property, plant, and equipment retired or disposed of are removed from the accounts and any resulting gain or loss is included in earnings.

In addition to third party costs, direct personnel costs and indirect construction overhead costs may be capitalized. Interest incurred during the construction period is also capitalized as a component of the cost of the constructed assets, which represents the cost of debt associated with construction activity. Expenditures for maintenance and repairs are charged to expense.

Revenue Recognition-Water Services

Water services revenues are recorded when service is rendered, or water is delivered to customers. However, in addition to the monthly basic service charge, the determination and billing of water sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each reporting period, amounts of water delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is recorded.

Water connection fees are the fees associated with the application process to set up a customer to receive utility service on an existing water meter. These fees are approved by the ACC through the regulatory process and are set based on the costs incurred to establish services including the application process, billing setup, initial meter reading, and

Test Year Ended December 31, 2019 Notes to Financial Statements Schedule E-9 Page 2 of 4

service transfer. Because the amounts charged for water connection fees are set by our regulator and not negotiated in conjunction with the pricing of ongoing water service, the connection fees represent the culmination of a separate earnings process and are recognized when the service is provided.

Meter installation fees are the fees charged to developers or builders associated with installing new water meters. Certain fees for meters are regulated by the ACC and are refundable to the end customer over a period of time. Refundable meter installation fees are recorded as a liability upon receipt. These fees are recognized as revenue when the service is rendered, or when a water meter is installed.

Revenue Recognition—Wastewater and Recycled Water Services

Wastewater service revenues are generally recognized when service is rendered. Wastewater services are billed at a fixed monthly amount per connection, and recycled water services are billed monthly based on volumetric fees.

Revenue Recognition-Unregulated Revenues

Unregulated Revenues represent those revenues that are not subject to the ratemaking process of the ACC. Unregulated revenues are limited to rental revenue and imputed revenues resulting from certain infrastructure coordination and financing agreement arrangements ("ICFAs").

Allowance for Doubtful Accounts

Provisions are made for doubtful accounts due to the inherent uncertainty around the collectability of accounts receivable. The allowance for doubtful accounts is recorded as bad debt expense, and is classified as general and administrative expense. The allowance for doubtful accounts is determined considering the age of the receivable balance, type of customer (e.g., residential or commercial), payment history, as well as specific identification of any known or expected collectability issues.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments in debt instruments with an original maturity of three months or less.

Restricted Cash

Restricted cash represents cash deposited relating to HUF tariffs, asset retirement obligations and pending legal matters. *Income Taxes*

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Test Year Ended December 31, 2019 Notes to Financial Statements Schedule E-9 Page 3 of 4

We evaluate uncertain tax positions using a two-step approach. Recognition (step one) occurs when we conclude that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that more-likely-than-not will be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when we subsequently determine that a tax position no longer meets the more-likely-than-not threshold of being sustained. The use of a valuation allowance as a substitute for derecognition of tax positions is prohibited, and to the extent that uncertain tax positions exist, we provide expanded disclosures.

Goodwill represents the excess purchase price over the fair value of net tangible and identifiable intangible assets acquired through acquisitions. Goodwill is not amortized, it is instead tested for impairment annually, or more often, if circumstances indicate a possible impairment may exist. As required, we evaluate goodwill for impairment annually, and do so as of November 1 of each year, and at an interim date if indications of impairment exist. When testing goodwill for impairment, we may assess qualitative factors, including macroeconomic conditions, industry and market considerations, overall financial performance, and entity specific events to determine whether it is more likely than not that the fair value of an operating and reportable segment is less than its carrying amount. We utilize internally developed discounted future cash flow models, third-party appraisals, or broker valuations to determine the fair value of the reporting unit. Under the discounted cash flow approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates. Our estimated future cash flows are based on historical data, internal estimates, and external sources. We then compare the estimated fair value to the carrying value. If the carrying value is in excess of the fair value, an impairment charge is recorded to asset impairments within our consolidated statement of operations in the amount by which the reporting unit's carrying value exceeds its fair value, limited to the carrying value of goodwill. Intanaible Assets

Intangible assets not subject to amortization consist of certain permits expected to be renewable indefinitely, water rights and certain service areas acquired in transactions which did not meet the definition of business combinations for accounting purposes, and are considered to have indefinite lives. Intangible assets with indefinite lives are not amortized but are tested for impairment annually, or more often if certain circumstances indicate a possible impairment may exist. Amortized intangible assets consist primarily of acquired ICFA contract rights.

Debt Issuance Costs

In connection with the issuance of some of our long-term debt, we have incurred legal and other costs that we believe are directly attributable to realizing the proceeds of the debt issued. These costs are netted against long-term debt and amortized as interest expense using the effective interest method over the term of the respective debt.

Impairment of Long-Lived Assets

Management evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indicator of possible impairment exists, an undiscounted cash flow analysis would be prepared to determine whether there is an actual impairment. Measurement of the impairment loss is based on the fair value of the asset. Generally, fair value will be determined using appraisals or valuation techniques such as the present value of expected future cash flows.

Test Year Ended December 31, 2019
Notes to Financial Statements

Schedule E-9 Page 4 of 4

Line No.

Advances and Contributions in Aid of Construction

The Company has various agreements with developers and builders, whereby funds, water line extensions, or wastewater line extensions are provided to us by the developers and are considered refundable advances for construction. These AIAC are non-interest-bearing and are subject to refund to the developers through annual payments that are computed as a percentage of the total annual gross revenue earned from customers connected to utility services constructed under the agreement over a specified period. Upon the expiration of the agreements' refunding period, the remaining balance of the advance becomes nonrefundable and at that time is considered CIAC. CIAC are amortized as a reduction of depreciation expense over the estimated remaining life of the related utility plant. For rate-making purposes, utility plant funded by AIAC or CIAC are generally excluded from rate base.

Fair Value of Financial Instruments

The carrying values of cash equivalents, trade receivables, and accounts payable approximate fair value due to the short-term maturities of these instruments. Portions of these non-interest-bearing instruments are payable annually through 2032 and amounts not paid by the contract expiration dates become nonrefundable. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables, including new customer connections, customer consumption levels, and future rate increases. However, the fair value of these amounts would be less than their carrying value due to the non-interest-bearing feature.

Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing operating performance. In consideration of ASC 280—Segment Reporting the Company notes it is not organized around specific products and services, geographic regions, or regulatory environments. The Company currently operates in one geographic region within the State of Arizona, wherein each operating utility operates within the same regulatory environment.

While the Company reports its revenue, disaggregated by service type, on the face of its Statements of Operations, the Company does not manage the business based on any performance measure at the individual revenue stream level. The Company does not have any customers that contribute more than 10% to the Company's revenues or revenue streams. Additionally, we note that the CODM uses consolidated financial information to evaluate the Company's performance, which is the same basis on which he communicates the Company's results and performance to the Board of Directors. It is upon this consolidated basis from which he bases all significant decisions regarding the allocation of the Company's resources on a consolidated level. Based on the information described above and in accordance with the applicable literature, management has concluded that the Company is currently organized and operated as one operating and reportable segment.

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Projected Income Statements - Present and Proposed

Line No.		Test Y Actu 12/31/2	al	Present Rates Year Ended 12/31/2020	Adjustments	Ye	oosed Rates ear Ended /31/2020
1	Operating Revenues	\$	-	\$ -	Adjustments \$ -	\$	/51/2020
2	Sportaling November	*		* 3	3 6. 000	2.44	
3	701 Salaries and Wages			5			14.7
4	704 Employee Pensions and Benefits		26 26	*	1,41		5 - 6
5	710 Purchased Wastewater Treatment		325	활			999
6	711 Sludge Removal Expense			*	690		N=1
7	715 Purchased Power		12		1591		1065
8	716 Fuel for Power Production		-		1950		44.77.4
9	718 Chemicals		*	*			70
10	720 Materials and Supplies		25	24	123		622
11	720 Repairs and Maintenance				150		35 8 4
12	720 Office Supplies and Expense		\$	2	549		323
13	721 Office Expense		60	60			60
14	731 Contractual Services -Engineering		11.00.000 14.000	100001 #1	540		00000 0000
15	732 Contractual Services - Accounting		25	25	199		2245
16	733 Contractual Services - Legal		509	509			509
17	734 Contractual Services - Management Fees		12	2	190		72
18	735 Contractual Services - Testing		_				:151
19	736 Contractual Services - Other		49	88	199		2000 2000
20	740 Rents - Building		2	25	74Y		REA
21	Intentionally Left Blank						
22	742 Rents - Equipment		82	2	920		pipi
23	750 Transportation Expenses		_	_			40 - 1
24	756 Insurance - Vehicle		a	Fit 2:	523		554-51 9- 2 51
25	757 Insurance - General Liability		100	9	524		721
26	758 Insurance - Worker's Compensation		3	8	350		(15)
27	759 Insurance - Other		8	2	520		924
28	760 Advertising Expense						
29	766 Regulatory Commission Expense - Rate Case		(2) (2)	o. 2	550		Neces
30	767 Regulatory Commission Expense - Other		9	a a	151		100
31	770 Bad Debt Expense		(F)	76	25% 348		5760 6940
32	775 Miscellaneous Expense		1,281	1,281	528		1,281
33	403 Depreciation Expense		-	1,201			1,201
34	408 Taxes Other Than Income		20	20	100		20.741 7.7421
35	408 Property Taxes		3,366	3,366			3,366
36	408 Payroll Taxes		-	5,500	15%		-
37	408 Other Taxes and Licenses		25	9	129		
38	409 Income Taxes		(88)	(88)	-		(88)
39	Total Operating Expenses		5,128	5,128			5,128
40	rotal operating Expenses		0,120	O, ILO			9,,29
41	Operating Income / (Loss)		(5,128)	(5,128)	140		(5,128)
42	operating matrices (2000)	-	(0,120)	(5)225)	5-50		(5,120)
43	OTHER INCOME / (EXPENSE						
44	414 Gain/Loss on Dispositions		0	25	500		867
45	419 Interest and Dividend Income		, w	-	-		75
46	421 Non-Utility Income		:E		158 915		11.50 10.50
47	100000 17000000000000000000000000000000		-				7. .
48	426 Miscellaneous Non-Utility (Expense) 427 Interest (Expense)			취 보	(33) (44)		155A 1940a
48	Total Other Income / (Expense)	-					795
50	Total Other Income / (Expense)		9	• • • • • • • • • • • • • • • • • • • •	(2)		(5)
	NET INCOME / /I OSS)	ě	(5.120)	\$ (5,128)	\$	\$	(5,128)
51	NET INCOME / (LOSS)	\$	(5,128)	\$ (5,128)	9	3	(5,128

Balterra Sewer, LLC_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Projected Statements of Changes in Financial Position

Present and Proposed Rates

				Projected Year			
(#Cown Colonic				Present		Proposed	
Line No.			Test Year 12/31/2019		Rates /31/2020	Rates 12/31/2020	
1	Operating Activities	12	31/2013	12	13 112020	12	33112020
2	Net income (loss)	s	(5,128)	S	(5,128)	\$	(5,128
3	Adjustment to reconcile net income (loss)	•	(0,120)	ų.	(3,120)	Ψ	(3,120
4	Deferred compensation						_
5	Depreciation		150 120		51 2		8
6	Amortization		75)		2		-
7	Amortization of deferred debt issuance costs and discounts		197				38
8	Write-off of debt issuance costs		348		2		12
9	Gain on sale of 303 contracts		576		7		
10	(Gain) Loss on Equity Investment		(J#))		¥		9
11	Other gains and losses				3		
12	(Gain) Loss on disposal of fixed assets		3,00				H
13	Loss on Sale of Willow Valley		140		2		2
14	Provision for doubtful accounts receivable		659				15
15	Deferred income tax (benefit) expense		740		-		9
16	Accounts receivables		3		-		24/2
17	Other Receivables		16		16		16
18	Accrued revenue		5		20		12
19	Infrastructure coordination and financing fee receivable				25		
20	Income taxes receivable		945		*		14
21	Other current assets		41,440		41,440		41,440
22	Accounts payable and other current liabilities		3,073		3,073		3,073
23	Other noncurrent assets		** SET		220		~ ~
24	Other noncurrent liabilities		3,532				18
25	Deferred revenue and prepaid ICFA fees		545		22		14
26 27	Net cash (used) provided by operating activities		39,401		39,401		39,401
28	Investing Activities						
29	Capital expenditures		(39,401)		(39,401)		(39,401)
30	Proceeds from the sale of Willow Valley		(39,401)		(39,401)		(39,401)
31	Proceeds from sale of fixed and intangible assets		929				18
32	(Deposits) withdrawals of restricted cash				-		_
33	Deposits		(74) (44)		51 2		8
34	Advance in aid of construction release		7 <u>5</u> 8		2		
35	Net cash used in investing activities		(39,401)		(39,401)		(39,401)
36			357		3		3
37	Financing Activities						
38	Proceeds from bond						
39	Deposits in bond service fund		1/520 2/201		8.		15
40	Proceeds withdrawn from bond service fund		337		ē		2
41	Repayments of bond debt		(34)		A -		3
42	(Deposit into)/ redemption from escrow for debt service		556		8		12
43	Loan borrowings						
44	Loan repayments		926		2		3
45	Principal payments under capital lease		226		-		-
46	Payment of Sonoran acquisition liability		5274 540		701 S#1		
47	Acquisition of utilities, deferred acquisition payments		(40)		221		10
48	Financing costs paid		353		-		
49	Debt issuance costs paid		548		2		2
50	Advances in aid of construction		1170		-		-
51	Dividends Paid		590		*		96
52	Proceeds from sale of stock		0200		25		10
53	Contributions in aid of construction under ICFA agreements		1.72		5		25
54	Payments of offering costs for sale of stock		540				2
55	Refunds of advances for construction		250				
56	Net cash (used) provided by financing activities		(92)		9		19
57	Net change in cash		0		0		0
58	CONTRACTOR TO THE STATE DISPOSITION OF THE STATE OF THE S						
59	Supporting Schedules:			Recap A-5	Schedule .		
60	E-3						

Schedule F-3

Test Year Ended December 31, 2019 Projected Construction Requirements

Line		Th	rough	Through		Through	
No.	Property Classification	12/3	1/2020	12/31/2021		12/31/2022	
1							
2	Well Development	\$	-	\$	-	\$	-
3							
4	Water Distribution Centers						
5							
6	Treatment and/or Blending						
7							
8	Pipelines						
9							
10	SCADA						
11							
12	Other						
13							
14	Totals	\$	-	\$	-	\$	
15		(Sch	. B-2.1)				

Schedule F-4

Test Year Ended December 31, 2019 Assumptions

Line	
No.	
1	
2	Revenues and expenses were projected using the pro forma changes to the test year ending
3	December 31, 2019. Actual expenses incurred during the test year ending December 31,
4	2019, were considered when developing pro forma adjustments. Where known and
5	measurable changes are expected to occur, those changes are applied to determine pro form
6	adjustments.
7	Construction forecasts are based on estimated plant requirements including new facilities,
8	the replacement of existing facilities, and the improvement and maintenance of
9	infrastructure necessary to ensure safe and reliable service.
10	
11	
12	
13	
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Test Year Ended December 31, 2019 Schedules G- thru G-7 Cost of Service Study

Balterra Sewer, LLC and Hassayampa Utility Company have no customers, no revenue, and no rate of return.

A cost of service study, which apportions rate of return to different classes of customers cannot be performed when there are no customers.

Test Year Ended December 31, 2019 Schedule H-1 thru H-2 Revenues by customer class and billing analysis.

Balterra Sewer, LLC and Hassayampa Utility Company have no customers and no revenue. Therefore there is no revenue to assign to different customer classes and there is no billing data to analyze.

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Note the current rates for Hassayampa are proposed to be the rates for the consolidated entity.

Monthly Minimum Charges:

Current Hassayampa	Utility Company	Rates
--------------------	-----------------	-------

	Basic Service Charge							
Meter Size (All Classes)	Present (2021)		Proposed	C	nange			
5/8" X 3/4" Meter	\$ 54	.25	\$ 54.25	\$				
3/4" Meter		.25	54.25		=			
1" Meter	135	.00	135.00		*			
1.5" Meter	270	.00	270.00		-			
2" Meter	430	.00	430.00		25			
3" Meter	860	.00	860.00		8			
4" Meter	1,350	.00	1,350.00		\pm			
6" Meter	2,700	.00	2,700.00		9			

Current Balterra Sewer Rates

	Basic Service Charge						
Meter Size (All Classes)	Present		P	Proposed		Change	
5/8" X 3/4" Meter	\$	70.00	S	54.25	\$	(15.75)	
3/4" Meter		105.00		54.25		(50.75)	
1" Meter		175.00		135.00		(40.00)	
1.5" Meter		350.00		270.00		(80.00)	
2" Meter		560.00		430.00		(130.00)	
3" Meter		1,050.00		860.00		(190.00)	
4" Meter		1,750.00		1,350.00		(400.00)	
6" Meter		3,500.00		2,700.00		(800.00)	

Effluent Charge:		resent sayampa	Р	roposed	C	Change
All Gallons (Per Acre Foot) All Gallons (Per 1,000 Gallons)	\$	400 1.23	\$	400.00 1.23	\$	#1 #2
Effluent Charge:	56	resent alterra		roposed 2022	c	Change
All Gallons (Per Acre Foot) All Gallons (Per 1,000 Gallons)	\$	202.00 0.62	\$	400.00 1.23	\$	198.00 0.61
Miscellaneous Service Charges Current Palo Verde Customers	P	resent	Pi	roposed	Ch	ange
Establishment of Service Re-establishment of Service (Within 12 Months) Reconnection of Service (Delinquent) After Hours Service Charge, Per Hour	\$	30.00 (a) 50.00 NA	\$	30.00 (a) 50.00 50.00	\$	5.
Deposit Deposit Interest NSF Check Late Payment Charge (Per Month)		(b) (b) 25.00 1.50%		(b) (b) 25.00 1.50%		- 0.00%
Deferred Payment Charge (Per Month)		1.50%		1.50%		0.00%

⁽a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

Miscellaneous Service Charges Current Red Rock Customers	Pro	esent	Pr	oposed	Cha	inge
Establishment of Service	\$	25.00	s	30.00	\$	5.00
Re-establishment of Service (Within 12 Months)		(a)		(a)		
Reconnection of Service (Delinquent)		30.00		50.00		20.00
After Hours Service Charge, Per Hour		40.00		50.00		
Deposit		(b)		(b)		
Deposit Interest		(b)		(b)		
NSF Check		15.00		25.00		10.00
Late Payment Charge (Per Month)		1.50%		1.50%		0.009
Deferred Payment Charge (Per Month)		NA		1.50%		NA

⁽a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

Schedule H-3

⁽b) Per A.A.C. R14-2-603(B).

⁽b) Per A.A.C. R14-2-603(B).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

Test Year Ended December 31, 2019 Schedule H-4 and H-5 Revenues by customer class and billing analysis.

Balterra Sewer, LLC and Hassayampa Utility Company have no customers and no revenue. Therefore there is no revenue to assign to different customer classes and there is no billing data to analyze.

1	Timothy J. Sabo (021309)	
2	Regulatory Counsel	
1075	Global Water Resources, Inc.	
3	21410 N. 19th Avenue, Suite 220	
4	Phoenix, AZ 85027	
5	480.999.5215 Tim.Sabo@gwresources.com	
15461	Tim.sabo@gwrcsources.com	
6	BEFORE THE ARIZONA CORPO	RATION COMMISSION
7	COMMISSIONERS	
8	ROBERT "BOB" BURNS, Chairman	
9	BOYD DUNN	
2	SANDRA D. KENNEDY	
10	JUSTIN OLSON	
11	LEA MÁRQUEZ PETERSON	
12	IN THE MATTER OF THE APPLICATION	DOCKET NO. SW-20422A-20-0220
	OF GLOBAL WATER – HASSAYAMPA	DOCKET NO. 5W-20422A-20-0220
13	UTILITIES COMPANY, INC., AN ARIZONA	RATE APPLICATION
14	CORPORATION, FOR THE	
15	ESTABLISHMENT OF JUST AND	PART 4 OF 4
15	REASONABLE RATES AND CHARGES	
16	FOR UTILITY SERVICE DESIGNED TO	NOTICE OF FILING
17	REALIZE A REASONABLE RATE OF	SUPPLEMENTAL FILING
17	RETURN ON THE FAIR VALUE OF ITS	MATERIALS IN SUPPORT OF
18	PROPERTY AND FOR CERTAIN RELATED	RATE APPLICATION
19	APPROVALS.	
20	Global Water – Hassayampa Utilities Com	pany, Inc., in connection with its
21	contemporaneously filed Rate Application, provid	es notice of filing the attached
22	,	8
23	Supplemental Filing Materials in support of its Ra	te Application.
23	DEGERECATE VIV. AVE. WEETER 1: Acth	1 CW 2000
24	RESPECTFULLY SUBMITTED this 28th	day of August, 2020.
25		imothy J. Sabo
26	900	imothy J. Sabo
27	R	egulatory Counsel
28	1	

1 **Certificate of Service** 2 Original of the foregoing eFiled this 28th day of August, 2020 with: 3 4 Docket Control Arizona Corporation Commission 5 1200 West Washington Phoenix, Arizona 85007 6 Copies emailed this same date to: 7 Elijah Abinah 8 Director, Utilities Division Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007 10 Utildivservicebyemail@azcc.gov 11 Robin R. Mitchell, Esq. Chief Counsel and Director, Legal Division 12 Arizona Corporation Commission 1200 West Washington 13 Phoenix, Arizona 85007 LegalDiv@azcc.gov 14 15 Hearing Division Arizona Corporation Commission 1200 West Washington 16 Phoenix, Arizona 85007 17 Hearing Division Service by Email@azcc.gov 18 19 Isl Joyce Goodwin 20 21 22 23 24 25 26 27 28 2

Additional Filing Requirements

Global Water - Hassayampa Utilities Company, Inc.

Docket SW-20422A-20-0220

Test Year Ended December 31, 2019

Table of Contents

- 1. Wastewater Flows
- 2. Major Plant in Service Inventory Wastewater

Global Water – Hassayampa Utilities Company, Inc. Docket SW-20422A-20-0220 Test Year Ended December 31, 2019

1. Wastewater Flows

Hassayampa Utility Company, Inc. Annual Report Wastewater Flows 12/31/19

	Wastewater Flows								
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²				
January	0	0	0	\$0	0				
February	0	0	0	0	0				
March	0	0	0	0	0				
April	0	0	0	0	0				
May	0	0	0	0	0				
June	0	0	0	0	0				
July	0	0	0	0	0				
August	0	0	0	0	0				
September	0	0	0	0	0				
October	0	0	0	0	0				
November	0	0	0	0	0				
December	0	0	0	0	0				
	Totals	0	0	\$0	0				

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal

Groundwater Permit Number ADEQ Aquifer Protection Permit ("APP") Number

ADEQ Reuse Permit Number

EPA NPDES Permil Number

APP Effluent Treatment Requirement (Class)?

Permitted Flow Rate

Permitted Organic Capacity

Hydraulic Capacity

Type of Biological Treatment

water system.	
Other	
NA	\neg
NA	
NA	
AZ0025453	
NA	
1.0 MGD	
NA	
NA	
N/A	- 67

In the space below, list all violations within the past 12 months:

None - Facility has not been constructed.

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Global Water – Hassayampa Utilities Company, Inc. Docket SW-20422A-20-0220 Test Year Ended December 31, 2019

2. Major Plant in Service Inventory – Wastewater

Hassayampa Utility Company, Inc. Annual Report Wastewater Utility Plant Description 12/31/19

	Wastewa	ter Utility Plant Descript	ion	
Name of System:	Hassayam	pa Utility Company, LLC		
Wastewater Inventory Number (if applicable); Type of Treatment			O	
		Other		
Design Capacity of Plant (Gal	lons per day)		0	

		LIFT STATION	N FACILITIES		
Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA NA
NA	0	0	0	0	NA
NA	0	0	0	0	NA

	F(ORCE MAINS		
Size		Material	Length (Feet)	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	

MANHO	OLES
Type Quantity	
Standard	0
Drop	0

(CLEANOUTS
	Quantity
0	
0	
0	
0	

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Hassayampa Utility Company, Inc. Annual Report Wastewater Utility Plant Description (Continued)

COLL	ECTION MAINS	
izes (inches)	Material	Length (feet)
4	0	0
6	Ô	
8	0	0
10	0	0
12	0	0
15	0	0
18	0	0
21	0	0
24	0	0
30	0	0
NA	Ö	0
NA	0	0

SERV	CES/LATERA	LS
Size (inches)	Material	Quantity
4	0	0
6	0	0
8	0	0
12	0	0

Hassayampa Utility Company, Inc. Annual Report Wastewater Utility Plant Description (Continued)

Wastewater	Utility	Plant	Description	(Continued)	
------------	---------	-------	-------------	-------------	--

For the following five iter	ns, list the utility owned assets in each category for each system.
SOLIDS PROCESSING AND HANDLING FACILITIES	0
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet,	0
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	0
STRUCTURES (Buildings, Fences, Etc.)	0
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	0

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.